

JUN 21 1955

# The Department of State

Vol. XXXII, No. 832

June 6, 1955



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# *The Department of State bulletin*

VOL. XXXII, No. 832 • PUBLICATION 5882

June 6, 1955

**The Department of State BULLETIN**, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

**Publications of the Department, as well as legislative material in the field of international relations, are listed currently.**

For sale by the Superintendent of Documents  
U.S. Government Printing Office  
Washington 25, D.C.

PRICE:  
52 issues, domestic \$7.50, foreign \$10.25  
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 19, 1955).

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## Cumulative Effects of the Mutual Security Program

*Statement by Secretary Dulles<sup>1</sup>*

Three weeks ago I appeared before your colleagues of the Senate Foreign Relations Committee<sup>2</sup> to support the request of President Eisenhower for the continuation of the essential elements of the mutual security program next year. In this short interval of 3 weeks, historic events have taken place, events which confirm the soundness of the program.

In Paris there occurred the first meeting of the Western European Union and the meeting of the NATO Council which included the German Federal Republic. These meetings marked the accomplishment of one of the major goals of ourselves and of our European allies—the establishment of the Federal Republic of Germany as a free, independent, and sovereign state, the bringing of that state into the North Atlantic Treaty Organization, and the further uniting and strengthening of Western Europe.

Another historic development occurred in Vienna. There was signed there the Austrian State Treaty. Our Government has been working for that for a long time. It took 8 years of persistent negotiation, with 379 meetings, before the Soviet Government would agree to the kind of treaty which gives the Austrians real independence.

I have already reported to this committee in executive session on these events of Paris and Vienna. They could never have been achieved had it not been for the cumulative effect of our overall mutual security effort in its various phases during this postwar decade. These great events enable

me to come before you today and say with renewed confidence that this program really works and is worth the energy and the patience and the money that the United States has put into it.

This committee has for many years given painstaking study to this complex program and contributed greatly to it. You deserve much credit for what the program has accomplished.

### Adapting to Changing Conditions

We have been working at parts of this mutual security program for about 10 years now. It has been unique in the whole history of the world. We in the United States have decided that in our own interest it would be wise to devote a substantial part of our resources to helping other free nations to build the economic health and military strength needed for the preservation of their freedom. We do so without any thought of aggrandizement for ourselves.

Over the years, this unique experiment in international relations has undergone many changes—changes of emphasis, additions and subtractions, changes of organization and administration. This year new changes are proposed in order to adapt the program to changing conditions and to assure better the accomplishment of the desired ends.

The President has announced that there will be a change in the administration of the program.<sup>3</sup> Heretofore, it has been administered by Mr. Harold E. Stassen and his associates of the Foreign Operations Administration at home and abroad. The President has announced that the affairs of that agency will be transferred to the Department

<sup>1</sup> Made before the House Committee on Foreign Affairs on May 25 (press release 292).

<sup>2</sup> BULLETIN of May 23, 1955, p. 854.

<sup>3</sup> *Ibid.*, May 2, 1955, p. 715.

of State as of June 30, 1955—except for certain military functions to be administered by the Department of Defense. I wish to pay tribute to Mr. Stassen and his associates for the way in which their work has contributed to the advancement of the interests of our country. I hope that, when this responsibility comes to the State Department, it will be possible to carry on with equal effectiveness. To this end, the President plans shortly to submit, for Senate confirmation, the name of a distinguished former member of this House, John B. Hollister, to be director of the successor agency, the International Cooperation Administration, within the Department of State.

The total of funds requested by President Eisenhower to advance the purposes of the mutual security program next year is \$3,530,000,000. Of this amount, approximately one half, or \$1,717,200,000, is intended to be used directly to maintain and build up the military forces of allies. In addition to that half of the total fund, another \$1,000,300,000 is designed for what is called defense support. That means economic help to countries which cannot otherwise carry the burden of a large defense establishments as seem desirable. A military establishment is not only economically nonproductive, but it subtracts largely from the productivity of a people. There are some nations so situated that it is deemed desirable that they should have a greater military establishment than their economies can presently support. By direct military aid and defense support, there are made available for the defense of the free world far larger military forces than would be available if the same amount of money was spent on our own military establishment.

The foregoing accounts for approximately 77 percent of the total fund requested. The remaining 23 percent, or \$812,500,000, is designed for programs unrelated to military purposes. The principal items are \$337,000,000 for economic aid to Asia, of which \$200,000,000 is for a special fund for regional development. There are funds for technical cooperation in the amount of \$172,000,000. \$100,000,000 is designed as a contingent fund for the President.

#### **Geographical Distribution**

The geographical distribution of the 23 percent of the fund which is not related to military establishments is as follows: \$21,000,000 for Europe,

chiefly for West Berlin; \$52,000,000 for the other American Republics; \$179,000,000 for the Middle East; \$337,500,000 for Asia; and \$222,500,000 for nonregional programs, including the multilateral programs and the President's Contingency Fund.

In past years a major part of the military and economic assistance authorized by the Congress under the mutual security program has been furnished to the nations of free Europe. The best measure of the success of this program is the remarkable growth of economic vitality, political stability and military strength among these nations. NATO is a going concern; European unity has moved forward; production, trade, and living standards have risen. Europe still faces many difficult problems, and our interest in the successful solution of these problems remains undiminished. However, there has been a significant improvement of conditions in Europe. Perhaps because of that we now look more closely at Asia and see more clearly its needs. The mutual security program for next year is planned accordingly.

In addition to continuing and in some cases increasing present programs in the free countries of Asia, particularly the technical assistance programs, the President has requested a special fund for discretionary use in eastern and southern Asia. International communism is pressing hard to extend its influence in Asian countries which lack the economic strength to support an adequate defense establishment and to provide the necessary foundation of political stability and steadily improving living standards.

By means of the Manila Pact and other defense treaties, we have placed the Communists on notice regarding the danger to them of further armed aggression in that area. But this is not all that we can and should do. We know that nations which are economically weak find it difficult to become politically strong and nationally secure. We believe that an increase in free Asia's economic strength can be another effective resistant to communism. The President's fund for free Asia is designed to stimulate the development of economic strength and cooperation in this area.

We have in mind that the use of these funds should be on a bilateral basis between the United States and individual Far Eastern nations in the program. We have in mind also that it would be most beneficial to us as well as to the other participating nations to have the benefit of their own

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cooperative effort in seeking ways to solve their own problems of development. The nations of free Asia already have an instrument for this purpose in the Consultative Committee of the Colombo Plan for Cooperative Economic Development in South and Southeast Asia. This somewhat cumbersome title is often abbreviated and known as the Colombo Plan. It is possible that further development of this organization, in which we already join with our Asian friends, would provide ideas and guidance to strengthen the area both economically and politically.

#### **Simla Conference**

In this connection, I should refer to the conference recently held by representatives of a number of the Colombo Plan nations at Simla in India. This conference brought together many of the Asian countries and was in itself a substantial step forward. The conference recognized the desirability of a regional approach and the need for further study of it. The conference also recognized that there would be no advantage in having some intermediate regional organization and that it would be effective for the United States to administer on a bilateral basis any aid the Congress should choose to make available. This view is, of course, in full accord with our own.

I am not myself an expert on all the details of these matters of which I speak. But I do have a confident overall judgment as to the value to the United States of these programs as a whole. In my opinion these mutual security programs are achieving measurable success in bringing about the conditions which, in my judgment, are the best guaranty of peace and freedom in the world. The price we are paying for this result I consider to be a reasonable price when measured in terms of the attainable results.

This program of mutual security continues to be an essential part of our overall policy of seeking to bring those rulers who now follow the line of international communism to see the futility of the policy of attempting world conquest. Also we hope that there may come policies designed better to satisfy the legitimate aspirations of the subject peoples. The recent events in Europe to which I first alluded suggest that the time may be nearing when those who have been seeking the

conquest of freedom will in fact adopt more tolerable policies.

I do not want to imply that I think we have achieved our goals. There are still bad spots as well as good spots. Also, it may be that the international Communists consider that any new policies which they now adopt are part of the classic design which Lenin said means that "we might have to go in zigzags, sometimes retracing our steps, sometimes giving up the course once selected and trying various others," and which Stalin said involves "maneuvering the reserves with a view to effecting a proper retreat when the enemy is strong." Nevertheless, I do feel a certain sense of encouragement because today the tactics of the international Communists suggest that they realize that the free world is in fact "strong" and that they do have to give up some of the courses they once selected.

#### **Four Soviet Reversals**

I have referred to the events of recent days. These have been marked by a striking reversal of many of the policies of the Soviet rulers. They reversed their position with reference to the Austrian State Treaty. The consequent withdrawal of Soviet troops from this advanced position in the heart of Europe will be the first time in Europe that the Red forces will have gone homeward since they took their forward positions 10 years ago.

Then there is the pilgrimage of the Soviet leaders to Belgrade. For 7 years, since the Yugoslav Government seceded from the Soviet bloc, it has been consistently reviled and threatened. Its party was excommunicated by the Soviet Communist Party as guilty of flagrant heresy. Now the heads of the Soviet state, who have never yet in time of peace left their home country, go to Belgrade to make their peace. Independence is rewarded; and heresy is condoned. This is bound to have a profound effect throughout the Soviet zone.

On the subject of disarmament, the Soviet Union has recently altered its position.<sup>4</sup> Its present position contains much which is not clear or not acceptable to the United States, but at least the Soviet Union now recognizes as valid certain basic propositions which up until now it has consist-

<sup>4</sup> For text of Soviet disarmament proposals of May 10, see *ibid.*, May 30, 1955, p. 900.

ently rejected. For example, the Soviet Union now no longer insists that any reduction of land armaments should be on a percentage basis which would perpetuate, and indeed accentuate, its present superiority in that particular field.

Finally, the Soviet leaders, after having said that consummation of the Paris accords would be a serious impediment to further talks, now seem ready for such talks—*Pravda*'s complaint being that we do not seem to be willing to talk long enough.

No one can be confident as to the meaning of these four reversals, which have been accumulated within the span of a few weeks. Certainly, one interpretation is that they hope by this show of sweet reasonableness to bring the free nations to a sense of security so that they will abandon measures which have so far enabled them to help each other preserve their freedom. There are, within the free nations, some who are tempted by this prospect. For the most part, they look to the United States to see how we interpret the recent Soviet gestures. If we seem to regard them as demonstrating a basic change of Soviet attitude and as indicating that the danger is over, they will hastily follow in that way. In that event much of the solidarity and strength which has been built over past years would quickly disintegrate.

The United States eagerly welcomes, and will fully and in good faith explore, all new possibilities of insuring a just and durable peace. That is the goal to which our Nation is dedicated, and we shall not let pass any opportunities to advance toward it. We welcome recent Soviet deeds which suggest a greater degree of tolerance and a greater acceptance of freedom and independence. However, it would be a great mistake to judge that the danger was now past or to act in such a manner that others might think we judged it past. There could be no worse moment to depart from the policies which the program represents and which have brought us where we are.

We can hope that a new day is coming; but too often men have been lured to their doom by mistaking a false dawn for the real dawn. We must not make that mistake.

Let us hold fast that which is good. The mutual security program, like everything human, is doubtless imperfect; but the principles which it embodies have been tested and proved good. Therefore, I urge the Congress to continue it.

## Recent Significant Developments

*News Conference Statement by Secretary Dulles*

Press release 288 dated May 24

Since we last met many significant things have happened. In Europe we saw a free and sovereign Federal German Republic take its seat next to that of France in the Council of the North Atlantic Treaty. We saw the first meeting of the new Council for Western European Union, also including the Federal Republic of Germany. We saw the signing of the Austrian State Treaty calling for an early withdrawal of the Red Army troops, the first such withdrawal to have occurred in Europe since they took their forward positions 10 years ago. We see the Soviet heads of government planning a humble pilgrimage to Belgrade to honor the defector, whom, until recently, the Soviet Communists had abused and reviled. We have had an informal meeting of the Big Four Foreign Ministers at Vienna as part of the preparation for a Big Four meeting at the level of Heads of Government.

It is not possible as yet to grasp the full significance of what is taking place. But it is clear that we are seeing the results of a policy of building unity and strength within the free world. It is that policy, the failure of the Soviet Union to disrupt it, and the strains to which the Soviet Union has itself been subjected which undoubtedly require a radical change of tactics on the part of the Soviet Union, which is now particularly illustrated by new Soviet attitudes toward Austria and Yugoslavia. No doubt these new tactics will involve some risks to the free nations. Also they will surely bring vast new opportunities. The essential thing is that we should adhere to the principles which we now know produce good fruits.

## Proposed Meeting of Heads of Government

Press release 291 dated May 24

*At his news conference on May 24, Secretary Dulles was asked whether he regarded the proposed meeting of the Heads of Government to be essentially a procedural meeting since matters of substance would not be referred to it. The Secretary replied:*

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That, I think, is the correct interpretation of the invitation that was given.<sup>1</sup> The President said in the television talk that we had together<sup>2</sup> that this is designed to be not an end but a beginning. It is designed to open up new paths, new ways in which to solve some of these problems. We never expected that in the time that would be available to the Heads of Government these problems which have defied solution for years, indeed generations, are going to be solved in a few days. It may take weeks, months, and years to solve these problems.

What is needed is a new impetus and a new spirit to be put into the task of their solution. That, we hope, will come out of this meeting.

*Citing criticism voiced in Moscow that the Heads of Government should have a longer meeting than 3 or 4 days and should deal with problems of substance, a correspondent asked whether he regarded this criticism as an indication that the Soviets might want to change the whole terms of the meeting. The Secretary replied:*

Well, I should be greatly surprised if that were a correct interpretation. We discussed, at the informal four-power meeting which we had in Vienna, the general philosophy and approach that was embodied in the three-power invitation, and the next day Mr. Molotov said publicly that the Soviet Union took a "positive attitude," as he put it, toward the forthcoming conference.

*Asked whether he expected to attend the San Francisco commemorative meeting of the signing of the U. N. Charter, how long he expected to remain, and whether this meeting might be utilized for further preliminary discussions looking to a meeting of the Heads of Government, Secretary Dulles replied:*

I expect to be there, yes. The ceremony lasts throughout the week, I think, beginning on the 20th and ending on the 26th of June, which is the anniversary of the signing of the United Nations Charter. I would expect that I would probably be there for most of that week. That might be the occasion of further preliminary talks among the four Foreign Ministers in anticipation of the Heads of Government talk. Nothing of that sort

has been arranged, but it looks as though matters might develop in that direction.

*Asked whether there are any plans for the three Western Powers to coordinate their plans in advance of the "summit" meeting, Mr. Dulles said:*

Well, there are no concrete plans in that respect, but it would be normal if we move along that line. We did have, as you will recall, prior to the four-power meeting in Berlin of last year, preparatory talks among the three Western Powers. I would expect that we would have talks among ourselves before going to a Heads of Government conference.

*Asked whether the possibility of preliminary talks referred to the Heads of Government level or the Foreign Ministers level, the Secretary replied:*

I was referring to the fact that, before we met with the Soviet Union at the Heads of Government level, there would, I assume, take place preparatory talks among the three Western Governments.

Such preparatory talks are generally held at what is called the working level, and the results go up to the Foreign Ministers or Heads of Government, but they do not involve the Foreign Ministers or Heads of Government themselves getting together—so far, at least.

*Asked whose move it is now to determine the time and place of the Heads of Government meeting, the Secretary replied:*

It is, I would think, certainly within the normal competence of the inviting powers to do that. In other words, we made an invitation to a meeting, outlining what we thought should be the general character of that meeting. We did not at that time attempt to fix a date or a place for the reason that at that time the matter was being worked out in Paris by the three Foreign Ministers. None of us could without further consultations with the Head of his Government come to a date which we were confident would be acceptable to all three. So that aspect of the matter is being explored. I have had to discuss it with the President, and the other Foreign Ministers have had to discuss it with their Heads of Government. Each of them has engagements ahead, and the coordinating of those is a process which is now going on.

<sup>1</sup>For text of the U. S.-U. K.-French invitation to the U. S. S. R., see BULLETIN of May 23, 1955, p. 832. The U. S. S. R. accepted the invitation in notes dated May 26.

<sup>2</sup>Ibid., May 30, 1955, p. 871.

## Text of Austrian State Treaty

### STATE TREATY FOR THE RE-ESTABLISHMENT OF AN INDEPENDENT AND DEMOCRATIC AUSTRIA

#### PREAMBLE

The Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and France, hereinafter referred to as "the Allied and Associated Powers", of the one part and Austria, of the other part;

Whereas on 13th March, 1938, Hitlerite Germany annexed Austria by force and incorporated its territory in the German Reich;

Whereas in the Moscow Declaration published on 1st November, 1943,<sup>1</sup> the Governments of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America declared that they regarded the annexation of Austria by Germany on 13th March, 1938, as null and void and affirmed their wish to see Austria re-established as a free and independent State, and the French Committee of National Liberation made a similar declaration on 16th November, 1943;

Whereas as a result of the Allied victory Austria was liberated from the domination of Hitlerite Germany;

Whereas the Allied and Associated Powers, and Austria, taking into account the importance of the efforts which the Austrian people themselves have made and will have to continue to make for the restoration and democratic reconstruction of their country, desire to conclude a treaty re-establishing Austria as a free, independent and democratic State, thus contributing to the restoration of peace in Europe;

Whereas the Allied and Associated Powers desire by means of the present Treaty to settle in accordance with the principles of justice all questions which are still outstanding in connection with the events referred to above,

EDITOR'S NOTE. For a review of the Austrian treaty question up to the spring of 1953, see BULLETIN of June 8, 1953, p. 805; for a summary of developments during 1953 and 1954, see BULLETIN of Dec. 13, 1954, p. 907; for documents relating to the Austrian-Soviet talks of April 1955, see BULLETIN of May 2, 1955, p. 733.

<sup>1</sup> BULLETIN of Nov. 6, 1943, p. 310.

including the annexation of Austria by Hitlerite Germany and participation of Austria in the war as an integral part of Germany; and

Whereas the Allied and Associated Powers and Austria are desirous for these purposes of concluding the present Treaty to serve as the basis of friendly relations between them, thereby enabling the Allied and Associated Powers to support Austria's application for admission to the United Nations Organization;

Have therefore appointed the undersigned Plenipotentiaries who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

#### PART I

##### POLITICAL AND TERRITORIAL CLAUSES

###### Article 1

###### RE-ESTABLISHMENT OF AUSTRIA AS A FREE AND INDEPENDENT STATE

The Allied and Associated Powers recognize that Austria is re-established as a sovereign, independent and democratic State.

###### Article 2

###### MAINTENANCE OF AUSTRIA'S INDEPENDENCE

The Allied and Associated Powers declare that they will respect the independence and territorial integrity of Austria as established under the present Treaty.

###### Article 3

###### RECOGNITION BY GERMANY OF AUSTRIAN INDEPENDENCE

The Allied and Associated Powers will incorporate in the German Peace Treaty provisions for securing from Germany the recognition of Austria's sovereignty and independence and the renunciation by Germany of all territorial and political claims in respect of Austria and Austrian territory.

#### Article 4

##### PROHIBITION OF ANSCHLUSS

1. The Allied and Associated Powers declare that political or economic union between Austria and Germany is prohibited. Austria fully recognizes its responsibilities in this matter and shall not enter into political or economic union with Germany in any form whatsoever.

2. In order to prevent such union Austria shall not conclude any agreement with Germany, nor do any act, nor take any measures likely, directly or indirectly, to promote political or economic union with Germany, or to impair its territorial integrity or political or economic independence. Austria further undertakes to prevent within its territory any act likely, directly or indirectly, to promote such union and shall prevent the existence, resurgence and activities of any organizations having as their aim political or economic union with Germany, and pan-German propaganda in favor of union with Germany.

#### Article 5

##### FRONTIERS OF AUSTRIA

The frontiers of Austria shall be those existing on 1st January, 1938.

#### Article 6

##### HUMAN RIGHTS

1. Austria shall take all measures necessary to secure to all persons under Austrian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

2. Austria further undertakes that the laws in force in Austria shall not, either in their content or in their application, discriminate or entail any discrimination between persons of Austrian nationality on the ground of their race, sex, language or religion, whether in reference to their persons, property, business, professional or financial interests, status, political or civil rights or any other matter.

#### Article 7

##### RIGHTS OF THE SLOVENE AND CROAT MINORITIES

1. Austrian nationals of the Slovene and Croat minorities in Carinthia, Burgenland and Styria shall enjoy the same rights on equal terms as all other Austrian nationals, including the right to their own organizations, meetings and press in their own language.

2. They are entitled to elementary instruction in the Slovene or Croat language and to a proportional number of their own secondary schools; in this connection school curricula shall be reviewed and a section of the Inspectorate of Education shall be established for Slovene and Croat schools.

3. In the administrative and judicial districts of Carinthia, Burgenland and Styria, where there are Slovene,

#### Salute to the Austrian People

*Statement by Secretary Dulles<sup>1</sup>*

Today it is decided that Austria will resume its place as a free and independent nation. It would be possible in a sense to say that this freedom and independence is being conferred. It would, however, be far more accurate to say that the freedom and independence have been won by the Austrian people themselves.

Seventeen years ago the independence of Austria was lost to what then seemed to be overwhelming power. But in this case, as is indeed always the case, military power succumbed to the moral power of an ideal. The Austrian people have never lost the vision of a free and independent Austria and their words and deeds have consistently reflected a solemn resolve that that vision should become a reality.

So today the Austrian people can rejoice, not because of what has been given them but because of what they have won for themselves. Today, as the Austrian people rejoice, the people of America rejoice with them. That is not only because the American people know and have long admired the Austrian people, but because that admiration now takes on new scope and greater depth.

Today we feel indebted to the Austrian people because they have brought about a fresh example of what the United Nations Charter refers to as respect for the principle of equal rights and self-determination of peoples.

<sup>1</sup> Made at the signing of the Austrian State Treaty at Vienna on May 15. For text of the message which the Secretary delivered to President Theodor Koerner on behalf of President Eisenhower, see BULLETIN of May 30, 1955, p. 873.

Croat or mixed populations, the Slovene or Croat language shall be accepted as an official language in addition to German. In such districts topographical terminology and inscriptions shall be in the Slovene or Croat language as well as in German.

4. Austrian nationals of the Slovene and Croat minorities in Carinthia, Burgenland and Styria shall participate in the cultural, administrative and judicial systems in these territories on equal terms with other Austrian nationals.

5. The activity of organizations whose aim is to deprive the Croat or Slovene population of their minority character or rights shall be prohibited.

#### Article 8

##### DEMOCRATIC INSTITUTIONS

Austria shall have a democratic government based on elections by secret ballot and shall guarantee to all citi-

zens free, equal and universal suffrage as well as the right to be elected to public office without discrimination as to race, sex, language, religion or political opinion.

#### Article 9

##### DISSOLUTION OF NAZI ORGANIZATIONS

1. Austria shall complete the measures, already begun by the enactment of appropriate legislation approved by the Allied Commission for Austria, to destroy the National Socialist Party and its affiliated and supervised organizations, including political, military and para-military organizations, on Austrian territory. Austria shall also continue the efforts to eliminate from Austrian political, economic and cultural life all traces of Nazism, to ensure that the above-mentioned organizations are not revived in any form, and to prevent all Nazi and militarist activity and propaganda in Austria.

2. Austria undertakes to dissolve all Fascist-type organizations existing on its territory, political, military and para-military, and likewise any other organizations carrying on activities hostile to any United Nation or which intend to deprive the people of their democratic rights.

3. Austria undertakes not to permit, under threat of penal punishment which shall be immediately determined in accordance with procedures established by Austrian Law, the existence and the activity on Austrian territory of the above-mentioned organizations.

#### Article 10

##### SPECIAL CLAUSES ON LEGISLATION

1. Austria undertakes to maintain and continue to implement the principles contained in the laws and legal measures adopted by the Austrian Government and Parliament since 1st May, 1945, and approved by the Allied Commission for Austria, aimed at liquidation of the remnants of the Nazi regime and at the re-establishment of the democratic system, and to complete the legislative and administrative measures already taken or begun since 1st May, 1945, to codify and give effect to the principles set out in Articles 6, 8 and 9 of the present Treaty, and insofar as she has not yet done so to repeal or amend all legislative and administrative measures adopted between 5th March, 1933, and 30th April, 1945, which conflict with the principles set forth in Articles 6, 8 and 9.

2. Austria further undertakes to maintain the law of 3rd April, 1919, concerning the House of Hapsburg-Lorraine.

#### Article 11

##### RECOGNITION OF PEACE TREATIES

Austria undertakes to recognize the full force of the Treaties of Peace with Italy, Roumania, Bulgaria, Hungary and Finland and other agreements or arrangements which have been or will be reached by the Allied and Associated Powers in respect of Germany and Japan for the restoration of peace.

#### PART II

##### MILITARY AND AIR CLAUSES

#### Article 12

##### PROHIBITION OF SERVICE IN THE AUSTRIAN ARMED FORCES OF FORMER MEMBERS OF NAZI ORGANIZATIONS, AND CERTAIN OTHER CATEGORIES OF PERSONS

The following shall in no case be permitted to serve in the Austrian Armed Forces:

1. Persons not of Austrian nationality;
2. Austrian nationals who had been German nationals at any time before 13th March, 1938;
3. Austrian nationals who served in the rank of Colonel or in any higher rank in the German Armed Forces during the period from 13th March, 1938, to 8th May, 1945;
4. With the exception of any persons who shall have been exonerated by the appropriate body in accordance with Austrian law, Austrian nationals falling within any of the following categories:

- (a) Persons who at any time belonged to the National Socialist Party ("N.S.D.A.P.") or the "S.S.", "S.A.", or "S.D." organizations; the Secret State Police ("Gestapo"); or the National Socialist Soldiers' Association ("N.S. Soldatenring"); or the National Socialist Officers' Association ("N.S. Offiziersvereinigung").
- (b) Officers in the National Socialist Fliers' Corps ("N.S.F.K.") or the National Socialist Motor Corps ("N.S.K.K.") of rank not lower than "Untersturmfuehrer" or its equivalent;
- (c) Functionaries in any supervised or affiliated organizations of the N.S.D.A.P. of rank not lower than that equivalent to "Ortsgruppenleiter";
- (d) Authors of printed works or scenarios placed by the competent commissions set up by the Government of Austria in the category of prohibited works because of their Nazi character;
- (e) Leaders of industrial, commercial and financial undertakings who according to the official and authenticated reports of existing industrial, commercial and financial associations, trade unions and party organizations are found by the competent commission to have co-operated actively in the achievement of the aims of the N. S. D. A. P. or of any of its affiliated organizations, supported the principles of National Socialism or financed or spread propaganda for National Socialist organizations or their activities, and by any of the foregoing to have damaged the interests of an independent and democratic Austria.

#### Article 13

##### PROHIBITION OF SPECIAL WEAPONS

1. Austria shall not possess, construct or experiment with - (a) Any atomic weapon, (b) any other major weapon adaptable now or in the future to mass destruction and defined as such by the appropriate organ of the United Nations, (c) any self-propelled or guided missile

or torpedoes, or apparatus connected with their discharge or control, (d) sea mines, (e) torpedoes capable of being manned, (f) submarines or other submersible craft, (g) motor torpedo boats, (h) specialized types of assault craft, (i) guns with a range of more than 30 kilometers, (j) asphyxiating, vesicant or poisonous materials or biological substances in quantities greater than, or of types other than, are required for legitimate civil purposes, or any apparatus designed to produce, project or spread such materials or substances for war purposes.

2. The Allied and Associated Powers reserve the right to add to this Article prohibitions of any weapons which may be evolved as a result of scientific development.

#### Article 14

##### DISPOSAL OF WAR MATERIEL OF ALLIED AND GERMAN ORIGIN

1. All war materiel of Allied origin in Austria shall be placed at the disposal of the Allied or Associated Power concerned according to the instructions given by that Power.

Austria shall renounce all rights to the above-mentioned war materiel.

2. Within one year from the coming into force of the present Treaty Austria shall render unusable for any military purpose or destroy:

all excess war materiel of German or other non-Allied origin;

in so far as they relate to modern war materiel, all German and Japanese drawings, including existing blue-prints, prototypes, experimental models and plans;

all war materiel prohibited by Article 13 of the present Treaty; all specialized installations, including research and production equipment, prohibited by Article 13 which are not convertible for authorized research, development or construction.

3. Within six months from the coming into force of the present Treaty Austria shall provide the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France with a list of the war materiel and installations enumerated in paragraph 2.

4. Austria shall not manufacture any war materiel of German design.

Austria shall not acquire or possess, either publicly or privately, or by any other means, any war materiel of German manufacture, origin or design except that the Austrian Government may utilize, for the creation of the Austrian armed forces, restricted quantities of war materiel of German manufacture, origin or design remaining in Austria after the Second World War.

5. A definition and list of war materiel for the purposes of the present Treaty are contained in Annex I.

#### Article 15

##### PREVENTION OF GERMAN REARMAMENT

1. Austria shall co-operate fully with the Allied and Associated Powers in order to ensure that Germany is unable to take steps outside German territory towards rearmament.

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2. Austria shall not employ or train in military or civil aviation or in the experimentation, design, production or maintenance of war materiel:

persons who are, or were at any time previous to 13th March, 1938, nationals of Germany;

or Austrian nationals precluded from serving in the Armed Forces under Article 12;

or persons who are not Austrian nationals.

#### Article 16

##### PROHIBITION RELATING TO CIVIL AIRCRAFT OF GERMAN AND JAPANESE DESIGN

Austria shall not acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

#### Article 17

##### DURATION OF LIMITATIONS

Each of the military and air clauses of the present Treaty shall remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Austria or, after Austria becomes a member of the United Nations, by agreement between the Security Council and Austria.

#### Article 18

##### PRISONERS OF WAR

1. Austrians who are now prisoners of war shall be repatriated as soon as possible, in accordance with arrangements to be agreed upon by the individual Powers detaining them and Austria.

2. All costs, including maintenance costs, incurred in moving Austrians who are now prisoners of war from their respective assembly points, as chosen by the Government of the Allied or Associated Power concerned, to the point of their entry into Austrian territory, shall be borne by the Government of Austria.

#### Article 19

##### WAR GRAVES AND MEMORIALS

1. Austria undertakes to respect, preserve and maintain the graves on Austrian territory of the soldiers, prisoners of war and nationals forcibly brought to Austria of the Allied Powers as well as of the other United Nations which were at war with Germany, the memorials and emblems on these graves, and the memorials to the military glory of the armies which fought on Austrian territory against Hitlerite Germany.

2. The Government of Austria shall recognize any commission, delegation or other organization authorized by the State concerned to identify, list, maintain or regulate the graves and edifices referred to in paragraph 1; shall facilitate the work of such organizations; and shall conclude in respect of the above-mentioned graves and edi-



fices such agreements as may prove necessary with the State concerned or with any commission or delegation or other organization authorized by it. It likewise agrees to render, in conformity with reasonable sanitary requirements, every facility for the disinterment and despatch to their own country of the remains buried in the said graves, whether at the request of the official organizations of the State concerned or at the request of the relatives of the persons interred.

### PART III

#### Article 20

##### WITHDRAWAL OF ALLIED FORCES

1. The Agreement on the Machinery of Control in Austria of 28th June, 1946<sup>1</sup> shall terminate on the coming into force of the present Treaty.

2. On the coming into force of the present Treaty, the Inter-Allied Command established under paragraph 4 of the Agreement on Zones of Occupation in Austria and the Administration of the City of Vienna of 9th July, 1945,<sup>2</sup> shall cease to exercise any functions with respect to the administration of the City of Vienna. The Agreement on Zones of Occupation of Austria shall terminate upon completion of the withdrawal from Austria of the forces of the Allied and Associated Powers in accordance with paragraph 3 of the present Article.

3. The forces of the Allied and Associated Powers and members of the Allied Commission for Austria shall be withdrawn from Austria within ninety days from the coming into force of the present Treaty, and in so far as possible not later than 31st December, 1955.

4. The Government of Austria shall accord to the forces of the Allied and Associated Powers and the members of the Allied Commission for Austria pending their withdrawal from Austria the same rights, immunities and facilities as they enjoyed immediately before the coming into force of the present Treaty.

5. The Allied and Associated Powers undertake to return to the Government of Austria after the coming into force of the present Treaty and within the period specified in paragraph 3 of this Article:

- (a) All currency which was made available free of cost to the Allied and Associated Powers for the purpose of the occupation and which remains unexpended at the time of completion of withdrawal of the Allied forces;
- (b) All Austrian property requisitioned by Allied forces or the Allied Commission and which is still in their possession. The obligations under this sub-paragraph shall be applied without prejudice to the provisions of Article 22 of the present Treaty.

<sup>1</sup> *Ibid.*, July 28, 1946, p. 175.

<sup>2</sup> *Ibid.*, Aug. 12, 1945, p. 221.

### PART IV

#### CLAIMS ARISING OUT OF THE WAR

##### Article 21

##### REPARATION

No reparation shall be exacted from Austria arising out of the existence of a state of war in Europe after 1st September, 1939.

##### Article 22

##### GERMAN ASSETS IN AUSTRIA

The Soviet Union, the United Kingdom, the United States of America and France have the right to dispose of all German assets in Austria in accordance with the Protocol of the Berlin Conference of 2nd August, 1945.<sup>4</sup>

1. The Soviet Union shall receive for a period of validity of thirty years concessions to oil fields equivalent to 60% of the extraction of oil in Austria for 1947, as well as property rights to all buildings, constructions, equipment, and other property belonging to these oil fields, in accordance with list No. 1 and map No. 1<sup>5</sup> annexed to the Treaty.

2. The Soviet Union shall receive concessions to 60% of all exploration areas located in Eastern Austria that are German assets to which the Soviet Union is entitled in conformity with the Potsdam Agreement and which are in its possession at the present time, in accordance with list No. 2 and map No. 2<sup>6</sup> annexed to the Treaty.

The Soviet Union shall have the right to carry out explorations on the exploration areas mentioned in the present paragraph for 8 years and to subsequent extraction of oil for a period of 25 years beginning from the moment of the discovery of oil.

3. The Soviet Union shall receive oil refineries having a total annual production capacity of 420,000 tons of crude oil, in accordance with list No. 3.

4. The Soviet Union shall receive those undertakings concerned in the distribution of oil products which are at its disposal, in accordance with list No. 4.

5. The Soviet Union shall receive the assets of the Danube Shipping Company (D.D.S.G.), located in Hungary, Roumania and Bulgaria; and, likewise, in accordance with list No. 5, 100% of the assets of the Danube Shipping Company located in Eastern Austria.

6. The Soviet Union shall transfer to Austria property, rights and interests held or claimed as German assets, together with existing equipment, and shall also transfer war industrial enterprises, together with existing equipment, houses and similar immovable property, including plots of land, located in Austria and held or claimed as war booty with the exception of the assets mentioned in paragraphs 1, 2, 3, 4 and 5 of the present Article. Austria for its part undertakes to pay the Soviet Union 150,000,000 United States dollars in freely convertible currency within a period of 6 years.

<sup>4</sup> See "Reparations From Germany," *ibid.*, Aug. 5, 1945, p. 157.

<sup>5</sup> Map not printed.

The said sum will be paid by Austria to the Soviet Union in equal three-monthly installments of 6,250,000 United States dollars in freely convertible currency. The first payment will be made on the first day of the second month following the month of the entry into force of the present Treaty. Subsequent three-monthly payments will be made on the first day of the appropriate month. The last three-monthly payment will be made on the last day of the six-year period after the entry into force of this Treaty.

The basis for payments provided for in this Article will be the United States dollar at its gold parity on 1st September, 1949, that is, 35 dollars for 1 ounce of gold.

As security for the punctual payment of the above-mentioned sums due to the Soviet Union the Austrian National Bank shall issue to the State Bank of the U.S.S.R. within two weeks of the coming into force of the present Treaty promissory notes to the total sum of 150,000,000 United States dollars to become payable on the dates provided for in the present Article.

The promissory notes to be issued by Austria will be non-interest-bearing. The State Bank of the U.S.S.R. does not intend to discount these notes provided that the Austrian Government and the Austrian National Bank carry out their obligations punctually and exactly.

#### 7. Legal Position of Assets:

- (a) All former German assets which have become the property of the Soviet Union in accordance with paragraphs 1, 2, 3, 4 and 5 of the present Article shall, as the general rule, remain under Austrian jurisdiction and, in conformity with this, Austrian legislation shall apply to them.
- (b) Where duties and charges, commercial and industrial rights and the levying of taxation are concerned, these assets shall be subject to conditions not less favorable than those which apply or will apply to undertakings belonging to Austria and its nationals and also to other states and persons who are accorded most-favored-nation treatment.
- (c) All former German assets which have become the property of the Soviet Union shall not be subject to expropriation without the consent of the Soviet Union.
- (d) Austria will not raise any difficulties in regard to the export of profits or other income (i. e. rents) in the form of output or of any freely convertible currency received.
- (e) The rights, properties and interests transferred to the Soviet Union as well as the rights, properties and interests which the Soviet Union relinquishes to Austria shall be transferred without any charges or claims on the part of the Soviet Union or on the part of Austria. Under the words "charges and claims" is understood not only creditor claims arising out of the exercise of Allied control of these properties, rights and interests after 8th May, 1945, but also all other claims including claims in respect of taxes. The reciprocal waiver by the Soviet Union and Austria of charges and claims applies to all such charges and claims

as exist on the date when Austria formalizes the rights of the Soviet Union to the former German assets transferred to it and on the date of the actual transfer to Austria of the assets relinquished by the Soviet Union.

8. The transfer to Austria of all properties, rights and interests provided for in paragraph 6 of the present Article, and also the formalizing by Austria of the rights of the Soviet Union to the former German assets to be transferred shall be effected within two months from the date of the entry into force of the present Treaty.

9. The Soviet Union shall likewise own the rights, property and interests in respect of all assets, wherever they may be situated in Eastern Austria, created by Soviet organizations or acquired by them by purchase after 8th May, 1945 for the operation of the properties enumerated in Lists 1, 2, 3, 4 and 5 below.

The provisions as set forth in sub-paragraphs a, b, c and d of paragraph 7 of the present Article shall correspondingly apply to these assets.

10. Disputes which may arise in connection with the application of the provisions of the present Article shall be settled by means of bilateral negotiations between the interested parties.

In the event of failure to reach agreement by bilateral negotiations between the Governments of the Soviet Union and of Austria within three months, disputes shall be referred for settlement to an Arbitration Commission consisting of one representative of the Soviet Union and one representative of Austria with the addition of a third member, a national of a third country, selected by mutual agreement between the two Governments.

11. The United Kingdom, the United States of America and France hereby transfer to Austria all property, rights and interests held or claimed by or on behalf of any of them in Austria as former German assets or war booty.

Property, rights and interests transferred to Austria under this paragraph shall pass free from any charges or claims on the part of the United Kingdom, the United States of America or France arising out of the exercise of their control of these properties, rights or interests after 8th May, 1945.

12. After fulfillment by Austria of all obligations stipulated in the provisions of the present Article or derived from such provisions, the claims of the Allied and Associated Powers with respect to former German assets in Austria, based on the Decision of the Berlin Conference of 2nd August, 1945, shall be considered as fully satisfied.

13. Austria undertakes that, except in the case of educational, cultural, charitable and religious property none of the properties, rights and interests transferred to it as former German assets shall be returned to ownership of German juridical persons or where the value of the property, rights and interests exceeds 260,000 schillings, to the ownership of German natural persons. Austria further undertakes not to pass to foreign ownership those rights and properties indicated in Lists 1 and 2 of this Article which will be transferred to Austria by the Soviet Union in accordance with the Austro-Soviet Memorandum of April 15, 1955.

14. The provisions of this Article shall be subject to the terms of Annex II of this Treaty.

List No. 1

Oil Fields in Eastern Austria on which Concessions shall be granted to the Soviet Union

Serial No.	Name of Oil Field	Name of Company
1	Mühlberg	Itag.
2	St. Ulrich-DEA	D. E. A.
3	St. Ulrich-Niederdonau	Niederdonau
4	Gösting - Kreutzfeld - Pionier (50% of Production)	E. P. G.

NOTE: A. All properties of the oil fields listed above shall be transferred to the Soviet Union, including all wells, both productive and non-productive, with all their surface and underground equipment, oil collecting net-

works, installations and equipment for drilling, compressor and pumping stations, mechanical workshops, gaso-line installations, steam-generating plants, electric generating plants and sub-stations with transmission networks, pipe lines, water supply systems and water mains, electric networks, steam lines, gas mains, oilfield roads, approach roads, telephone lines, fire fighting equipment, motor vehicle and tractor parks, office and living accommodation serving the fields, and other property connected with the exploitation of the oil fields listed above.

B. The right of ownership and leasehold rights to all the properties of the above-mentioned producing fields shall be transferred to the Soviet Union to the extent that any natural or juridical person who owned these fields, exploited them or participated in their exploitation, had rights in, title to, or interest in the said properties.

In cases where any property was held on lease, the periods of the leases, as provided for in the lease agreements, shall be calculated from the date of the entry into force of the present Treaty, and the lease agreements cannot be terminated without the consent of the Soviet Union.

List No. 2

Concessions to Oil Exploration Areas in Eastern Austria to be transferred to the Soviet Union.

Serial No.	Name of Concession	Name of Company	Hectareage of the area to be ceded to the U. S. S. R.
1	Neusiedlersee	Elverat	122,480
2	Leithagebirge	Kohle Oel Union	52,700
3	Gross Enzersdorf (including the Aderklaa field)	Niederdonau	175,000
4	Hauskirchen (including the Alt Lichtenwarth field)	Itag	4,800
5	St. Ulrich	D. E. A.	740
6	Schrattenberg	Kohle Oel Union	3,940
7	Grosskrut	Wintershal	8,000
8	Mistelbach	Preussag	6,400
9	Paasdorf (50% of the area)	E. P. G.	3,650
10	Steinberg	Steinberg Naphta	100
11	Hausbrunn	D. E. A.	350
12	Drasenhofen (area on Austrian territory)	Kohle Oel Union	8,060
13	Ameis	Preussag	7,080
14	Siebenhirten	Elverat	5,000
15	Leis	Itag	14,800
16	Korneuburg	Ritz	30,000
17	Klosterneuburg (50% of the area)	E. P. G.	7,900
18	Oberlaa	Preussag	51,400
19	Enzersdorf	Deutag	25,800
20	Oedenburger Pforte	Kohle Oel Union	55,410
21	Tulln	Donau Oel	38,070
22	Kilb (50% of the area)	E. P. G.	18,220
23	Pullendorf	Kohle Oel Union	60,700
24	Nord Steiermark (50% of the area in the Soviet Zone)	E. P. G.	55,650
25	Mittel Steiermark (area in the Soviet Zone)	Wintershal	9,840
26	Gösting (50% of the area)	E. P. G.	250
Total—26 Concessions			766,340 ha

NOTE: A. All the properties of the above-mentioned oil exploration areas shall be transferred to the Soviet Union.

B. The right of ownership and leasehold rights to all the properties of the above-mentioned oil exploration areas shall be transferred to the Soviet Union to the extent that any natural or juridical person who owned these oil exploration areas, exploited them or participated in their

exploitation, had rights in, title to, or interest in the said properties.

In cases where any property was held on lease, the periods of the leases, as provided for in the lease agreements, shall be calculated from the date of the entry into force of the present Treaty, and the lease agreements cannot be terminated without the consent of the Soviet Union.

### List No. 3

Oil Refineries in Eastern Austria the property rights to which are to be transferred to the Soviet Union

Serial No.	Name of the refinery	Annual productive capacity in 1,000 tons of crude oil in 1947
1	Lobau . . . . .	240.0
2	Nova . . . . .	120.0
3	Korneuburg . . . . .	60.0
4	Okeros (re-refining) . . . . .	—
5	Oil Refinery "Moosbierbaum" excluding the equipment belonging to France and subject to restitution. . . . .	—
	Total . . . . .	420.0

NOTE: A. The properties of the refineries shall be transferred with all their equipment including technological installations, electric generating stations, steam generating plants, mechanical workshops, oil depot equipment and storage parks, loading ramps and river moorings, pipe lines including the pipe line Lobau-Zistersdorf, roads, approach roads, office and living quarters, fire fighting equipment, etc.

B. The right of ownership and leasehold rights to all the properties of the above-mentioned oil refineries shall be transferred to the Soviet Union to the extent that any natural or juridical person who owned these refineries, exploited them or participated in their exploitation, had rights in, title to, or interest in the said properties.

In cases where any property was held on lease, the periods of the leases, as provided for in the lease agreements, shall be calculated from the date of the entry into force of the present Treaty, and the lease agreements cannot be terminated without the consent of the Soviet Union.

### List No. 4

UNDERTAKINGS IN EASTERN AUSTRIA ENGAGED IN THE DISTRIBUTION OF OIL PRODUCTS, THE PROPERTY RIGHTS TO WHICH ARE TO BE TRANSFERRED TO THE SOVIET UNION

Serial No.	Name of Undertaking
1	Deutsche Gasolin A. G.—distributing branch in Austria G. m. b. H.
2	"A. G. der Kohlenwerkstoffverband Gruppe Benzol-Benzol-Verband-Bechum"—branch in Austria including the oil depot belonging to it at Praterspitz.
3	"Nova" Mineral Oel Vertrieb Gesellschaft m. b. H.
4	"Donau-Oel G. m. b. H."
5	"Nitag" with the oil depot at Praterspitz.
6	Firms engaged in gas distribution "Edrgas G. m. b. H.", "Ferngas A. G.", "Zaya Gas G. m. b. H.", "Reinthal Gas G. m. b. H." and "B. F. Methane G. m. b. H."
7	Oil depots "Praterspitz Winter Hafen" and "Mauthausen".
8	"Wirtschaftliche Forschungsgesellschaft m. b. H." (W. I. F. O.) Oil depot at Lobau and plots of land.
9	Pipe line Lobau (Austria)—Raudnitza (Czechoslovakia) on the section from Lobau to the Czechoslovak frontier.

NOTE: A. The undertakings shall be transferred with all their property located in Eastern Austria, including oil depots, pipe lines, distributing pumps, filling and emptying ramps, river moorings, roads, approach roads, etc.

In addition, the property rights over the whole park of railway tank wagons now in the possession of Soviet organizations shall be transferred to the Soviet Union.

B. The right of ownership and leasehold rights to all the equipment of the above-mentioned undertakings situated in Eastern Austria and engaged in the distribution of oil products shall be transferred to the Soviet Union to the extent that any natural or juridical person who owned these undertakings, exploited them or participated in their exploitation, had rights in, title to, or interest in the said equipment.

In cases where any property was held on lease, the periods of the leases, as provided for in the lease agreements, shall be calculated from the date of the entry into force of the present Treaty, and the lease agreements cannot be terminated without the consent of the Soviet Union.

### List No. 5

ASSETS OF THE D. D. S. G. IN EASTERN AUSTRIA TO BE TRANSFERRED TO THE SOVIET UNION

#### I. SHIPYARD IN THE TOWN OF KORNEUBURG

The property rights of the shipyard in the town of Korneuburg situated on the left bank of the Danube at Kilometer 1943 and occupying territory on both sides of the old bed of the river Danube, with an aggregate area estimated at 220,770 square meters are to be transferred to the Soviet Union. The wharf area is equal to 61,300 square meters and the berth accommodation to 177 meters.

Furthermore, rights in the lease of the shipyard area of 2,946 square meters are to be transferred to the Soviet Union.

Property rights and other rights to all the equipment of the shipyard to the extent that the D. D. S. G. had rights, or title to or interest in the said equipment, including all plots of land, buildings, dockyards and slips, floating tackle, workshops, buildings and premises, power stations and transformer sub-stations, railway sidings, transport equipment, technological and operational equipment, tools and inventory, communications and all communal welfare installations, dwelling houses and barracks, and also all other property belonging to the shipyard are to be transferred to the Soviet Union.

#### II. AREAS OF THE PORT OF THE CITY OF VIENNA

##### a) FIRST AREA (NORDBAHNBRUECKE)

1. Port area from point 1931, 347.35 kilometers along the course of the Danube to point 1931, 211.65 kilometers, including in it the "Donau-Sandwerkplatz" area, and from point 1931, 176.90 kilometers to point 1930, 439.35 kilometers along the course of the Danube, including in it the areas "Nordbahnbruecke" and "Zwischenbruecke", extending along the wharfside for a total distance of 873.2 meters and with an average width of about 70 meters.

##### b) SECOND AREA (NORDBAHNLAENDE)

2. Port area from point 1929, 803.00 kilometers to point 1929, 618.00 kilometers along the course of the Danube, extending along the wharfside for a distance of 185.00 meters and with an average width of about 15 meters with the two adjacent railways and also the plot of the "Kommunal Baeder" area.

##### c) THIRD AREA (PRATERKAI)

Port area from point 1928, 858.90 kilometers to point 1927, 695.30 kilometers along the course of the Danube, for a distance of 1163.60 meters and with an average width of about 70 meters.

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#### d) FOURTH AREA

Port area, bordering on point 1925, 664.7 kilometers, on the Danube on the area of the port used by the Hungarian Steamship Company to point 1925, 529.30 kilometers on the area occupied by the railway (Kaibahnhof), extending along the wharfside for a total distance of 135.4 meters and with an average width of about 70 meters.

The four areas of the Port enumerated shall be transferred with all the hydrotechnical constructions, warehouses, magazines, sheds, river station, operational, service and dwelling houses, auxiliary buildings and constructions, mechanical and loading and unloading equipment and mechanisms, repair shops with equipment, transformer sub-stations and electrical equipment, communications, communal welfare installations, all road and transport installations and also all equipment and inventory.

#### III. PROPERTY AND PLANT OF THE AGENCIES, OF RIVER STATIONS AND STORES

Serial Number	Name
	NIEDERRANNA
1	Agency and warehouse building.
	OBERMUEHL
2	Agency and warehouse building.
3	Land plot 536 square meters.
	NEUHAUS
4	Waiting room.
	MAUTHAUSEN
5	Agency building.
	WALLSEE
6	Agency building.
7	Warehouse.
	GREIN
8	Agency and warehouse building.
	SARMINGSTEIN
9	Agency building.
	YBBS
10	Agency building.
	POECHLARN
11	Living premises.
12	Agency building.
13	Land plot 1598 square meters.
	MELK
14	Warehouse (in the city).
15	Waiting room and office.
16	Warehouse.
	SCHOENBUEHEL
17	Waiting room.
	AGGSBACH-DORF
18	Agency building.
19	Warehouse.
	SPITZ
20	Agency building.
21	Warehouse.
22	Land plot 1355 square meters.

#### WEISSENKIRCHEN

23 Office and waiting room.  
24 Warehouse.  
25 Land plot 516 square meters.

#### DUERNSTEIN

26 Agency building.

#### STEIN

27 Living premises.  
28 Waiting room and warehouse building.  
29 Land plot alongside house.

#### KREMS

30 Agency building.

#### HOLLENBURG

31 Waiting room.

#### TULLN

32 Agency building.

#### GREIFENSTEIN

33 Shed.

#### KORNEUBURG

34 Waiting room and booking office building.

#### HAINBURG

35 Living premises.  
36 Agency building.  
37 Warehouse.  
38 Land plot 754 square meters.

#### ARNSDORF

39 Agency building.

#### LANDING STAGES

40 Melkstrom  
41 Isperdorf  
42 Marbach  
43 Weitenegg  
44 Deutsch-Altenburg  
45 Zwentendorf  
46 Kritzendorf

The property enumerated in Section III. is to be transferred with all equipment and inventory.

#### IV. PROPERTY IN THE CITY OF VIENNA

1. Living house at No. 11, Archduke Karl Square (formerly house No. 6), 2nd District, standing on its own land.

2. Freehold land and house at 204 Handelskai, 2nd District.

3. Freehold building plots in Wehlistrasse, 2nd District, Catastral Registry Nos. 1660, 1661, 1662.

4. Leased land plot at No. 286 Handelskai, 2nd District.

The property enumerated in Section IV. is to be transferred with all equipment and inventory.

#### NOTE TO SECTIONS II., III. AND IV.

The land, occupied by the Port area mentioned in Section II. of the present list, and also by the agency buildings, river stations, warehouses and other buildings, enumerated in Sections III. and IV. of the present list and also all property indicated in Sections II., III. and IV. are to be transferred to the U.S.S.R. on the same legal

basis on which this land and other property were held by the D.D.S.G., with the proviso that the land and other property owned by the D.D.S.G. on 8th May, 1945, pass into the ownership of the U.S.S.R.

In cases where agreements which established the legal basis for the transfer of land to the D.D.S.G. did not provide for the transfer to the D.D.S.G. of the ownership rights to this land, the Austrian Government shall be obliged to formalize the transfer to the U.S.S.R. of rights, acquired by the D.D.S.G. by such agreements, and to pro-

long the validity of the latter for an indefinite period with the proviso that in the future the validity of such agreements shall not be canceled without the consent of the Government of the U.S.S.R.

The extent of the Soviet Union's liabilities in respect of these agreements is to be determined by agreement between the Government of the U.S.S.R. and the Government of Austria. These liabilities shall not exceed the liabilities undertaken by the D.D.S.G. in accordance with agreements concluded on or before 8th May, 1945.

#### V. VESSELS, BELONGING TO THE D.D.S.G. LOCATED IN EASTERN AUSTRIA AND TO BE TRANSFERRED TO U.S.S.R.

No.	Type of Vessel	Present Name	Old Name	Horse Power	Cargo carrying capacity
1	Tug . . . . .	"Vladivostock" . . . . .	"Persenbeug" . . . . .	1000	—
2	Tug . . . . .	"Cronstadt" . . . . .	"Bremen" . . . . .	800	—
3	Passenger steamer . . . . .	"Caucasus" . . . . .	"Heliots" . . . . .	1100	—
4	Dumb tanker barge . . . . .	104 . . . . .	"DDSG-09714" . . . . .	—	967
5	" . . . . .	144 . . . . .	"DDSG-09756" . . . . .	—	974
6	" . . . . .	161 . . . . .	"DDSG-05602" . . . . .	—	548
7	" . . . . .	09765 . . . . .	"DDSG-09765" . . . . .	—	952
8	" . . . . .	29 . . . . .	"DDSG-XXIX" . . . . .	—	1030
9	Dumb dry cargo barge . . . . .	22 . . . . .	(Taken over after completion) " . . . . .	—	972
10	" . . . . .	23 . . . . .	"DDSG-EL-72" . . . . .	—	972
11	" . . . . .	EL-72 . . . . .	"DDSG-67277" . . . . .	—	180
12	" . . . . .	654 . . . . .	"DDSG-6566" . . . . .	—	669
13	" . . . . .	689 . . . . .	"DDSG-1058" . . . . .	—	657
14	" . . . . .	1058 . . . . .	"DDSG-5016" . . . . .	—	950
15	" . . . . .	5016 . . . . .	"DDSG-5713" . . . . .	—	520
16	" . . . . .	5713 . . . . .	"DDSG-5728" . . . . .	—	576
17	" . . . . .	5728 . . . . .	"DDSG-6746" . . . . .	—	602
18	" . . . . .	6746 . . . . .	"DDSG-65204" . . . . .	—	670
19	" . . . . .	65204 . . . . .	"DDSG-67173" . . . . .	—	650
20	" . . . . .	67173 . . . . .	"DDSG-10031" . . . . .	—	670
21	" . . . . .	10031 . . . . .	"DDSG-5015" . . . . .	—	942
22	" . . . . .	5015 . . . . .	"DDSG-6525" . . . . .	—	511
23	" . . . . .	6525 . . . . .	"DDSG-67266" . . . . .	—	682
24	" . . . . .	67266 . . . . .	"Johanna" . . . . .	—	680
25	Lighter . . . . .	304 . . . . .	"V-238" . . . . .	—	30
26	" . . . . .	411 . . . . .	"RP-IV" . . . . .	—	40
27	Double funnel pontoon . . . . .	RP-IV . . . . .	"RP-VI" . . . . .	—	—
28	" . . . . .	RP-VI . . . . .	"DDSG-RP-XX" . . . . .	—	—
29	" . . . . .	RP-XX . . . . .	"DDSG-EP-9721" . . . . .	—	—
30	Landing Stage . . . . .	EP-97 . . . . .	"DDSG-EP-120" . . . . .	—	—
31	Pontoon . . . . .	EP-120 . . . . .	"Trauner" . . . . .	—	—
32	Deckless Lighter . . . . .	"Trauner" . . . . .	(nameless) . . . . .	—	—
33	Floating Crane . . . . .	P-I . . . . .	"DDSG-21" . . . . .	—	—
34	" . . . . .	P-2 . . . . .	—	—	—
35	Pontoon . . . . .	PT-7 . . . . .	—	—	—
36	" . . . . .	PT-8 . . . . .	—	—	—

#### Article 23

##### AUSTRIAN PROPERTY IN GERMANY AND RENUNCIATION OF CLAIMS BY AUSTRIA ON GERMANY

1. From the date of the coming into force of the present Treaty the property in Germany of the Austrian Government or of Austrian nationals, including property forcibly removed from Austrian territory to Germany after 12th March, 1938 shall be returned to its owners. This provision shall not apply to the property of war criminals or persons who have been subjected to the penalties of denazification measures; such property shall be placed at the disposal of the Austrian Government if it has not been subjected to blocking or confiscation in accordance with the laws or ordinances in force in Germany after 8th May, 1945.

2. The restoration of Austrian property rights in Germany shall be effected in accordance with measures which will be determined by the Powers in occupation of Germany in their zones of occupation.

3. Without prejudice to these and to any other disposition in favor of Austria and Austrian nationals by the Powers occupying Germany, and without prejudice to the validity of settlements already reached, Austria waives on its own behalf and on behalf of Austrian nationals all claims against Germany and German nationals outstanding on 8th May, 1945 except those arising out of contracts and other obligations entered into, and rights acquired, before 13th March, 1938. This waiver shall be deemed to include all claims in respect of transactions effected by Germany during the period of the annexation of Austria and all claims in respect of loss or damage

suffered during the said period, particularly in respect of the German public debt held by the Austrian Government or its nationals and of currency withdrawn at the time of the monetary conversion. Such currency shall be destroyed upon the coming into force of the present Treaty.

#### Article 24

##### RENUNCIATION BY AUSTRIA OF CLAIMS AGAINST THE ALLIES

1. Austria waives all claims of any description against the Allied and Associated Powers on behalf of the Austrian Government or Austrian nationals arising directly out of the war in Europe after 1st September, 1939, or out of actions taken because of the existence of a state of war in Europe after that date whether or not such Allied or Associated Power was at war with Germany at the time. This renunciation of claims includes the following:

- (a) Claims for losses or damages sustained as a consequence of acts of armed forces or authorities of Allied or Associated Powers;
- (b) Claims arising from the presence, operations or actions of armed forces or authorities of Allied or Associated Powers in Austrian territory;
- (c) Claims with respect to the decrees or orders of Prize Courts of Allied or Associated Powers, Austria agreeing to accept as valid and binding all decrees and orders of such Prize Courts on or after 1st September, 1939 concerning ships or goods belonging to Austrian nationals or concerning the payment of costs;
- (d) Claims arising out of the exercise or purported exercise of belligerent rights.

2. The provisions of this Article shall bar, completely and finally, all claims of the nature referred to herein, which shall henceforward be extinguished, whoever may be the parties in interest. The Austrian Government agrees to make equitable compensation in schillings to persons who furnished supplies or services on requisition to the forces of Allied or Associated Powers in Austrian territory and in satisfaction of noncombat damage claims against the forces of the Allied or Associated Powers arising in Austrian territory.

3. Austria likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Austrian Government or Austrian nationals against any of the United Nations whose diplomatic relations with Germany were broken off between 1st September, 1939 and 1st January, 1945, and which took action in co-operation with the Allied and Associated Powers.

4. The Government of Austria shall assume full responsibility for Allied military currency of denominations of five schillings and under issued in Austria by the Allied Military Authorities, including all such currency in circulation at the coming into force of the present Treaty. Notes issued by the Allied Military Authorities of denominations higher than five schillings shall be destroyed and no claims may be made in this connection against any of the Allied or Associated Powers.

5. The waiver of claims by Austria under paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied or Associated Powers with respect to ships belonging to Austrian nationals between 1st September, 1939 and the coming into force of the present Treaty as well as any claims and debts arising out of the Conventions on prisoners of war now in force.

#### PART V

##### PROPERTY, RIGHTS AND INTERESTS

#### Article 25

##### UNITED NATIONS PROPERTY IN AUSTRIA

1. In so far as Austria has not already done so, Austria shall restore all legal rights and interests in Austria of the United Nations and their nationals as they existed on the day hostilities commenced between Germany and the United Nation concerned, and shall return all property in Austria of the United Nations and their nationals as it now exists.

2. The Austrian Government undertakes that all property, rights and interests falling under this Article shall be restored free of all encumbrances and charges of any kind to which they may have become subject as a result of the war with Germany and without the imposition of any charges by the Austrian Government in connection with their return. The Austrian Government shall nullify all measures of seizure, sequestration or control taken against United Nations property in Austria between the day of commencement of hostilities between Germany and the United Nation concerned and the coming into force of the present Treaty. In cases where the property has not been returned within six months from the coming into force of the present Treaty, applications for the return of property shall be made to the Austrian authorities not later than twelve months from the coming into force of the Treaty, except in cases in which the claimant is able to show that he could not file his application within this period.

3. The Austrian Government shall invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force exerted by Axis Governments or their agencies between the beginning of hostilities between Germany and the United Nation concerned and 8th May, 1945.

4. (a) In cases in which the Austrian Government provides compensation for losses suffered by reason of injury or damage to property in Austria which occurred during the German occupation of Austria or during the war, United Nations nationals shall not receive less favorable treatment than that accorded to Austrian nationals; and in such cases United Nations nationals who hold, directly or indirectly, ownership interests in corporations or associations which are not United Nations nationals within the meaning of paragraph 8 (a) of this Article shall receive compensation based on the total loss or damage suffered

by the corporations or associations and bearing the same proportion to such loss or damage as the beneficial interest of such nationals bears to the capital of the corporation or association.

(b) The Austrian Government shall accord to United Nations and their nationals the same treatment in the allocation of materials for the repair or rehabilitation of their property in Austria and in the allocation of foreign exchange for the importation of such materials as applies to Austrian nationals.

5. All reasonable expenses incurred in Austria in establishing claims, including the assessment of loss or damage, shall be borne by the Austrian Government.

6. United Nations nationals and their property shall be exempted from any exceptional taxes, levies, or imposts imposed on their capital assets in Austria by the Austrian Government or by any Austrian authority between the date of the surrender of the German armed forces and the coming into force of the present Treaty for the specific purpose of meeting charges arising out of the war or of meeting the costs of occupying forces. Any sums which have been so paid shall be refunded.

7. The owner of the property concerned and the Austrian Government may agree upon arrangements in lieu of the provisions of this Article.

8. As used in this Article:

(a) "United Nations nationals" means individuals who are nationals of any of the United Nations, or corporations or associations organized under the laws of any of the United Nations, at the coming into force of the present Treaty, provided that the said individuals, corporations or associations also had this status on 8th May, 1945.

The term "United Nations nationals" also includes all individuals, corporations or associations which, under the laws in force in Austria during the war, were treated as enemy.

(b) "Owner" means one of the United Nations, or a national of one of the United Nations, as defined in sub-paragraph (a) above, who is entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nation or a United Nations national as defined in sub-paragraph (a). If the successor has purchased the property in its damaged state, the transferor shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law.

(c) "Property" means all movable or immovable property, whether tangible or intangible, including industrial, literary and artistic property, as well as all rights or interests of any kind in property.

9. The provisions of this Article do not apply to transfers of property, rights or interests of United Nations or United Nations nationals in Austria made in accordance with laws and enactments which were in force as Austrian Law on 28th June 1946.

10. The Austrian Government recognizes that the Brioni Agreement of 10th August, 1942 is null and void. It undertakes to participate with the other signatories of the Rome Agreement of 21st March, 1923, in any negotiations having the purpose of introducing into its provisions the modifications necessary to ensure the equitable settlement of the annuities which it provides.

### Article 26

#### Property, Rights and Interests of Minority Groups in Austria

1. In so far as such action has not already been taken, Austria undertakes that, in all cases where property, legal rights or interests in Austria have since 13th March, 1938, been subject of forced transfer or measures of sequestration, confiscation or control on account of the racial origin or religion of the owner, the said property shall be returned and the said legal rights and interests shall be restored together with their accessories. Where return or restoration is impossible, compensation shall be granted for losses incurred by reason of such measures to the same extent as is, or may be, given to Austrian nationals generally in respect of war damage.

2. Austria agrees to take under its control all property, legal rights and interests in Austria of persons, organizations or communities which, individually or as members of groups, were the object of racial, religious or other Nazi measures of persecution where, in the case of persons, such property, rights and interests remain heirless or unclaimed for six months after the coming into force of the present Treaty, or where in the case of organizations and communities such organizations or communities have ceased to exist. Austria shall transfer such property, rights and interests to appropriate agencies or organizations to be designated by the Four Heads of Mission in Vienna by agreement with the Austrian Government to be used for the relief and rehabilitation of victims of persecution by the Axis Powers, it being understood that these provisions do not require Austria to make payments in foreign exchange or other transfers to foreign countries which would constitute a burden on the Austrian economy. Such transfer shall be effected within eighteen months from the coming into force of the present Treaty and shall include property, rights and interests required to be restored under paragraph 1 of this Article.

### Article 27

#### Austrian Property in the Territory of the Allied and Associated Powers

1. The Allied and Associated Powers declare their intention to return Austrian property, rights and interests as they now exist in their territories or the proceeds arising out of the liquidation, disposal or realization of such property, rights or interests, subject to accrued taxes, expenses of administration, creditor claims and other like charges, where such property, rights or interests have been liquidated, disposed of or otherwise realized. The Allied and Associated Powers will be prepared to conclude agreements with the Austrian Government for this purpose.

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2. Notwithstanding the foregoing provisions, the Federal Peoples' Republic of Yugoslavia shall have the right to seize, retain or liquidate Austrian property, rights and interests within Yugoslav territory on the coming into force of the present Treaty. The Government of Austria undertakes to compensate Austrian nationals whose property is taken under this paragraph.

#### Article 28

##### DEBTS

1. The Allied and Associated Powers recognize that interest payments and similar charges on Austrian Government securities falling due after 12th March, 1938, and before 8th May, 1945, constitute a claim on Germany and not on Austria.

2. The Allied and Associated Powers declare their intention not to avail themselves of the provisions of loan agreements made by the Government of Austria before 13th March, 1938, in so far as those provisions granted to the creditors a right of control over the government finances of Austria.

3. The existence of the state of war between the Allied and Associated Powers and Germany shall not, in itself, be regarded as affecting the obligation to pay pecuniary debts arising out of obligations and contracts that existed, and rights that were acquired before the existence of the state of war, which became payable prior to the coming into force of the present Treaty, and which are due by the Government or nationals of Austria to the Government or nationals of one of the Allied and Associated Powers or are due by the Government or nationals of one of the Allied and Associated Powers to the Government or nationals of Austria.

4. Except as otherwise expressly provided in the present Treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of contracts concluded at any time prior to 1st September, 1939, by either the Government of Austria or persons who were nationals of Austria on 12th March, 1938.

#### PART VI

##### GENERAL ECONOMIC RELATIONS

#### Article 29

1. Pending the conclusion of commercial treaties or agreements between individual United Nations and Austria, the Government of Austria shall, during a period of eighteen months from the coming into force of the present Treaty, grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Austria:

- (a) In all that concerns duties and charges on importation or exportation, the internal taxation of imported goods and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favored-nation treatment;
- (b) In all other respects, Austria shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United

Nations as compared with like goods originating in or destined for territory of any other of the United Nations or of any other foreign country;

- (c) United Nations nationals, including juridical persons, shall be granted national and most-favored-nation treatment in all matters pertaining to commerce, industry, shipping and other forms of business activity within Austria. These provisions shall not apply to commercial aviation;
- (d) Austria shall grant no exclusive or preferential rights to any country with regard to the operation of commercial aircraft in international traffic, shall afford all the United Nations equality of opportunity in obtaining international commercial aviation rights in Austrian territory, including the right to land for refuelling and repair, and, with regard to the operation of commercial aircraft in international traffic, shall grant on a reciprocal and non-discriminatory basis to all United Nations the right to fly over Austrian territory without landing. These provisions shall not affect the interests of the national defense of Austria.

2. The foregoing undertaking by Austria shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Austria prior to 13th March, 1938; and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that State.

#### PART VII

##### SETTLEMENT OF DISPUTES

#### Article 30

1. Any disputes which may arise in giving effect to the Article entitled "United Nations Property in Austria" of the present Treaty shall be referred to a Conciliation Commission established on a parity basis consisting of one representative of the Government of the United Nation concerned and one representative of the Government of Austria. If within three months after the dispute has been referred to the Conciliation Commission no agreement has been reached, either Government may ask for the addition to the Commission of a third member selected by mutual agreement of the two Governments from nationals of a third country. Should the two Governments fail to agree within two months on the selection of a third member of the Commission, either Government may request the Heads of the Diplomatic Missions in Vienna of the Soviet Union, of the United Kingdom, of the United States of America, and of France to make the appointment. If the Heads of Mission are unable to agree within a period of one month upon the appointment of a third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. When any Conciliation Commission is established under paragraph 1 of this Article, it shall have jurisdiction over all disputes which may thereafter arise between

the United Nation concerned and Austria in the application or interpretation of the Article referred to in paragraph 1 of this Article and shall perform the functions attributed to it by these provisions.

3. Each Conciliation Commission shall determine its own procedure, adopting rules conforming to justice and equity.

4. Each Government shall pay the salary of the member of the Conciliation Commission whom it appoints and of any agent whom it may designate to represent it before the Commission. The salary of the third member shall be fixed by special agreement between the Governments concerned and this salary, together with the common expenses of each Commission, shall be paid in equal shares by the two Governments.

5. The parties undertake that their authorities shall furnish directly to the Conciliation Commission all assistance which may be within their power.

6. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

## PART VIII

### MISCELLANEOUS ECONOMIC PROVISIONS

#### Article 31

##### Provisions Relating to the Danube

Navigation on the Danube shall be free and open for the nationals, vessels of commerce, and goods of all States, on a footing of equality in regard to port and navigation charges and conditions for merchant shipping. The foregoing shall not apply to traffic between ports of the same State.

#### Article 32

##### Transit Facilities

1. Austria shall facilitate as far as possible railway traffic in transit through its territory at reasonable rates and shall be prepared to conclude with neighboring States reciprocal agreements for this purpose.

2. The Allied and Associated Powers undertake to support inclusion in the settlement in relation to Germany of provisions to facilitate transit and communication without customs duties or charges between Salzburg and Lofer (Salzburg) across the Reichenhall-Steinpass and between Scharnitz (Tyrol) and Ehrwald (Tyrol) via Garmisch-Partenkirchen.

#### Article 33

##### Scope of Application

The Articles entitled "United Nations Property in Austria" and "General Economic Relations" of the present Treaty shall apply to the Allied and Associated Powers and to those of the United Nations which had that status on 8th May, 1945, and whose diplomatic relations with Germany were broken off during the period between 1st September, 1939 and 1st January, 1945.

## PART IX

### FINAL CLAUSES

#### Article 34

##### Heads of Mission

1. For a period not to exceed eighteen months from the coming into force of the present Treaty, the Heads of the Diplomatic Missions in Vienna of the Soviet Union, the United Kingdom, the United States of America and France, acting in concert, will represent the Allied and Associated Powers in dealing with the Government of Austria in all matters concerning the execution and interpretation of the present Treaty.

2. The Four Heads of Mission will give the Government of Austria such guidance, technical advice and clarification as may be necessary to ensure the rapid and efficient execution of the present Treaty both in letter and in spirit.

3. The Government of Austria shall afford to the said Four Heads of Mission all necessary information and any assistance which they may require in the fulfillment of the tasks devolving on them under the present Treaty.

#### Article 35

##### INTERPRETATION OF THE TREATY

1. Except where another procedure is specifically provided under any Article of the present Treaty, any dispute concerning the interpretation or execution of the Treaty which is not settled by direct diplomatic negotiations shall be referred to the Four Heads of Mission acting under Article 34, except that in this case the Heads of Mission will not be restricted by the time limit provided in that Article. Any such dispute not resolved by them within a period of two months shall, unless the parties to the dispute mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

#### Article 36

##### Forces of Annexes

The provisions of the Annexes shall have force and effect as integral parts of the present Treaty.

#### Article 37

##### Accession to the Treaty

1. Any member of the United Nations which on 8th May, 1945 was at war with Germany and which then

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had the status of a United Nation and is not a signatory to the present Treaty, may accede to the Treaty and upon accession shall be deemed to be an Associated Power for the purposes of the Treaty.

2. Instruments of accession shall be deposited with the Government of the Union of Soviet Socialist Republics and shall take effect upon deposit.

### Article 38

#### Ratification of the Treaty

1. The present Treaty, of which the Russian, English, French and German texts are authentic, shall be ratified. It shall come into force immediately upon deposit of instruments of ratification by the Union of Soviet Socialist Republics, by the United Kingdom of Great Britain and Northern Ireland, by the United States of America, and by France of the one part and by Austria of the other part. The instruments of ratification shall, in the shortest time possible, be deposited with the Government of the Union of Soviet Socialist Republics.

2. With respect to each Allied and Associated Power whose instrument of ratification is thereafter deposited, the Treaty shall come into force upon the date of deposit. The present Treaty shall be deposited in the archives of the Government of the Union of Soviet Socialist Republics, which shall furnish certified copies to each of the signatory and acceding States.

### ANNEX I

#### DEFINITION AND LIST OF WAR MATERIEL

The term "war materiel" as used in the present Treaty shall include all arms, ammunition and implements specially designed or adapted for use in war as listed below.

The Allied and Associated Powers reserve the right to amend the list periodically by modification or addition in the light of subsequent scientific development.

#### Category I

1. Military rifles, carbines, revolvers and pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use.

2. Machine guns, military automatic or auto-loading rifles, and machine-pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use; machine gun mounts.

3. Guns, howitzers, mortars (Minenwerfer), cannon special to aircraft, breechless or recoilless guns and flamethrowers; barrels and other spare parts not readily adaptable for civilian use; carriages and mountings for the foregoing.

4. Rocket projectors; launching and control mechanisms for self-propelling and guided missiles and projectiles; mountings for same.

5. Self-propelling and guided missiles, projectiles, rockets, fixed ammunition and cartridges, filled or unfilled, for the arms listed in sub-paragraphs 1-4 above, and fuses, tubes or contrivances to explode or operate them. Fuses required for civilian use are not included.

6. Grenades, bombs, torpedoes, mines, depth charges and incendiary materials or charges, filled or unfilled; all means for exploding or operating them. Fuses required for civilian use are not included.

7. Bayonets.

#### Category II

1. Armoured fighting vehicles; armoured trains, not technically convertible to civilian use.

2. Mechanical and self-propelled carriages for any of the weapons listed in Category I; special type military chassis or bodies other than those enumerated in subparagraph 1 above.

3. Armour plate, greater than three inches in thickness, used for protective purposes in warfare.

#### Category III

1. Aiming and computing devices for the preparation and control of fire, including predictors and plotting apparatus, for fire control; direction of fire instruments; gun sights; bomb sights; fuse setters; equipment for the calibration of guns and fire control instruments.

2. Assault bridging, assault boats and storm boats.

3. Deceptive warfare, dazzle and decoy devices.

4. Personal war equipment of a specialized nature not readily adaptable to civilian use.

#### Category IV

1. Warships of all kinds, including converted vessels and craft designed or intended for their attendance or support, which cannot be technically reconverted to civilian use, as well as weapons, armour, ammunition, aircraft and all other equipment, material, machines and installations not used in peace time on ships other than warships.

2. Landing craft and amphibious vehicles or equipment of any kind; assault boats or devices of any type as well as catapults or other apparatus for launching or throwing aircraft, rockets, propelled weapons or any other missile, instruments or devices whether manned or unmanned, guided or uncontrolled.

3. Submersible or semi-submersible ships, craft, weapons, devices, or apparatus of any kind, including specially designed harbor defense booms, except as required by salvage, rescue or other civilian uses, as well as all equipments, accessories, spare parts, experimental or training aids, instruments or installations as may be specially designed for the construction, testing, maintenance or housing of the same.

#### Category V

1. Aircraft assembled or unassembled, both heavier and lighter than air, which are designed or adapted for aerial combat by the use of machine guns, rocket projectors or artillery, or for the carrying and dropping of bombs, or which are equipped with, or which by reason of their design or construction are prepared for, any of the appliances referred to in sub-paragraph 2 below.

2. Aerial gun mounts and frames, bomb racks, torpedo carriers and bomb release or torpedo release mechanisms; gun turrets and blisters.

3. Equipment specially designed for and used solely by airborne troops.

4. Catapults or launching apparatus for shipborne, land-or-sea-based aircraft; apparatus for launching aircraft weapons.

5. Barrage balloons.

#### Category VI

Asphyxiating, vesicant, lethal, toxic or incapacitating substances intended for war purposes, or manufactured in excess of civilian requirements.

#### Category VII

Propellants, explosives, pyrotechnics or liquified gases destined for propulsion, explosion, charging, or filling of, or for use in connection with, the war materiel in the present categories, not capable of civilian use or manufactured in excess of civilian requirements.

#### Category VIII

Factory and tool equipment specially designed for the production and maintenance of the materiel enumerated above and not technically convertible to civilian use.

#### ANNEX II

Having regard to the arrangements made between the Soviet Union and Austria, and recorded in the Memorandum signed at Moscow on April 15, 1955, Article 22 of the present Treaty shall have effect subject to the following provisions:

1. On the basis of the pertinent economic provisions of the April 15, 1955 arrangements between the Soviet Union and Austria, the Soviet Union will transfer to Austria within two months from the date of entry into force of the present Treaty, all property, rights and interests to be retained or received by it in accordance with Article 22, except the Danube Shipping Company (D.D.S.G.) assets in Hungary, Roumania and Bulgaria.
2. It is agreed that in respect of any property, right or interest transferred to Austria in accordance with this Annex, Austria's rights shall be limited only in the manner set out in paragraph 13 of Article 22.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in the City of Vienna in the Russian, English, French and German languages this day of May 15, 1955.

YEVACHESLAV MIKHAILOVICH MOLOTOV  
IVAN I. ILYCHEV  
HAROLD MACMILLAN  
GEOFFREY WALLINGER  
JOHN FOSTER DULLES  
LLEWELLYN E. THOMPSON  
A. PINAY  
R. LALOUETTE  
LEOPOLD FIGL

### U.S. Policy on Neutrality

Press release 290 dated May 24

*At his news conference on May 24, Secretary Dulles was asked about the policy of the United States with respect to neutrality, particularly as it would affect Germany. The Secretary replied:*

It is the view of the United States that a policy of neutrality has no application to a country of the character of Germany. It is all well to talk about neutrality for a country such as Austria, a small country with 7 million people. But I do not believe that anybody realistically believes that the German people, 70-odd million of them, are destined to play the role of a neutral country. Furthermore, as President Eisenhower has pointed out, the kind of neutrality which was discussed in terms of Austria is an armed neutrality, and there is no limit in the Austrian State Treaty upon the size of the Austrian Army. I do not think that the German people or the Soviet people or the

Western European people want to see applied to Germany the concept of it being an independent state with an unlimited army.

*Asked whether we would welcome a group of neutral states to the east of Germany, Secretary Dulles replied:*

Well, we would certainly welcome there a group of independent states playing an independent role. The word "neutrality" is a very ambiguous word and perhaps needs to be closely defined before you make definite committals to a so-called policy of neutrality.

*Asked whether we would favor armed and non-committed states running down from the Baltic to the Adriatic to the east of Germany, the Secretary replied:*

Well, I couldn't say we are committed to any such policy; but anything which increases the national independence of the satellite states is along the lines of U.S. policy.

### Exchange of Farm Delegations With Soviet Union

Press release 269 dated May 17

*Following is the text of a note delivered on May 17 by the American Embassy at Moscow to the Soviet Ministry of Foreign Affairs concerning an exchange of agricultural delegations between the United States and the U.S.S.R.*

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the U.S.S.R. and has the honor to refer to the Ministry's note of March 10, 1955 concerning the proposal by the *Des Moines Register* of Des Moines, Iowa, that an exchange of agricultural delegations be arranged between the Soviet Union and the United States.<sup>1</sup> Reference is also made to conversations in connection with such an exchange held between representatives of the Embassy and the Ministry of Foreign Affairs on May 4 and May 6, 1955.

As the Ministry was advised on May 4, the United States Government takes a favorable view

<sup>1</sup>The Soviet note of Mar. 10 (not printed) expressed the view that an exchange of agricultural delegations could be advantageous and requested the U.S. Government's opinion concerning such an exchange.

of the proposed exchange of agricultural delegations between the Soviet Union and the United States. In view of the decision by the Soviet Government to designate an official delegation to participate in an exchange, the United States Government is prepared to grant official visas to the members of a Soviet delegation of approximately ten agricultural specialists upon notification by the Ministry of their names and official status.

The United States Government believes that the most advantageous time for the Soviet delegation to visit the United States from the standpoint of agricultural conditions would be during mid-summer. It is, therefore, proposed that the Soviet delegation plan to be in the United States from approximately July 10 to August 10, 1955.

In view of the official status of the Soviet delegation, the United States Department of Agriculture will assist in making general arrangements for the tour of the Soviet group in the United States. It is contemplated that the central part of the tour would be concentrated in the State of Iowa, where Iowa State College, at the request of the United States Government, is willing to undertake to make appropriate arrangements for the reception and itinerary of the Soviet delegation. The University of Minnesota will also be included in the itinerary and other visits to areas and installations outside of Iowa of interest to the Soviet delegation from an agricultural standpoint may be arranged within the general framework of the proposed tour.

The composition of the American farm delegation to visit the Soviet Union, which will have unofficial status, will be determined in consultation with the Department of Agriculture, Iowa State College and other nonofficial institutions and organizations concerned with agricultural matters. The United States Government would be pleased to have an indication from the Soviet Government as to the approximate size of the American delegation it would be prepared to receive and the most appropriate time for the American delegation to observe Soviet agricultural methods.

Although, as indicated above, the U.S. Department of Agriculture will have general advisory responsibility for arrangements regarding the tour of the official Soviet delegation, it is the desire of

the U.S. Government that the members of the Soviet group have the widest possible opportunity to observe at first hand the functioning of U.S. farms and installations servicing agricultural needs. With this object in view, and keeping in mind the technical interests of the Soviet agricultural experts, a program will be developed for the visit of the Soviet delegation which will permit the members of the delegation to familiarize themselves with U.S. farming methods in the total environment in which they operate. In the State of Iowa, which possesses a great diversity of agricultural conditions, the Soviet delegation will be shown the methods and procedures used in connection with the production of corn and raising of pigs and other livestock, as well as the central role played in agricultural production by family owned and operated farms. In the U.S. the most efficient level of agricultural production has been developed on the basis of such units, operating on their own initiative, and utilizing as they see fit the various agricultural services provided by local, state, cooperative and Federal Government entities.

The U.S. Government welcomes the opportunity which will be provided by the visit of the Soviet agricultural delegation to present to the Soviet experts these and other aspects of American farm practices.

### **Discussion With Yugoslav Ambassador**

The Department of State announced on May 23 (press release 284) that Secretary Dulles had had a discussion that day with the Yugoslav Ambassador, Vladimir Popovic, concerning recent developments in Europe, including the forthcoming visit of the heads of the Soviet Union to Belgrade. The Secretary of State recalled the violent hostility which the Soviet Union had since 1948 manifested against the Yugoslav Government because of its policy of firm independence. The Secretary of State congratulated the Yugoslav Ambassador upon the success which now crowned the courageous pursuit of that policy, a policy which the Government of the United States has been assured by the Yugoslav Government it will continue to follow.

## Recent Developments Affecting the Regime of the High Seas

by Herman Phleger  
Legal Adviser<sup>1</sup>

At no time during more than a century have those areas of international law relating to the rights of states in the waters outside their land limits been the subject of such concern as they are at the present time. I have thought it would be of interest to consider this evening what those rights are, the developments that challenge them, and the position of the United States respecting them.

History has a way of repeating itself, and, since the development of this phase of the law has a bearing on our current problems, I ask this learned group to bear with me while I recall some historic facts.

### Development of Law of the Sea

The history of the law of the sea is a reflection of the changing interests of the centuries and of the influence of economics and technological developments. Most important maritime states, at one time or another, have claimed sovereignty over large areas of the seas.

The Roman Empire claimed the Mediterranean as *Mare Nostrum*. In later centuries Venice levied tribute on vessels navigating the Adriatic. Genoa claimed sovereignty of the Ligurian Sea.

England's claim to sovereignty of the "English Sea" has been characterized as "in a class by itself." This, Selden in 1635 described as "that [sea] which flows between England and the opposite shores and ports," which would include at least the North Atlantic, the North Sea, and the English Channel.

No more modest were the conflicting claims of

<sup>1</sup> Address made before the American Branch of the International Law Association, New York, N. Y., on May 13 (press release 262 dated May 12).

Spain and Portugal, resolved by Pope Alexander in 1493 by partitioning the Atlantic Ocean between them.

Such was the situation when Grotius, in 1609, published "*Mare Liberum*," attacking on broad grounds of equity the whole principle of national dominion over the seas. Although Selden's "*Mare Clausum*," in 1635, sought to establish that the sea was capable of appropriation and that England was sovereign in the English Sea, it did not prove to be an adequate answer to Grotius. As one author observes, "The reason why '*Mare Liberum*' acquired a historical significance . . . was its earnest and powerful appeal for complete freedom of the high seas for the innocent use and mutual benefit of all." The same author continues: "Grotius spoke in the name of humanity as against the selfish interests of a few. It was his lofty moral ideas which, in combination with the profound legal and historical exposition, gave his work its reputation."<sup>2</sup> With "*Mare Liberum*" the modern doctrine of the freedom of the seas had been born. During the early 18th century it was to become established law, and by the 19th century it was axiomatic.

Freedom of the seas as a principle of international law means that the open sea is not, and cannot be, under the sovereignty of any state. It signifies that in time of peace vessels may not be interfered with on the high seas. To this principle there are certain limited exceptions. Thus, it has long been recognized that a state may suppress piracy. It may seize a vessel flying its flag without authority. The right of hot pursuit is accepted. The enforcement, on the part of coastal

<sup>2</sup> Meyer, *The Extent of Jurisdiction in Coastal Waters* (1937), p. 23.

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states, of revenue and sanitary laws is recognized.<sup>3</sup> Finally, in this modern age, the right of a state, for defense or security purposes, to take preventive measures on the high seas is in process of development.

#### **U.S. Supports Freedom of the Seas**

It is the traditional policy of the United States to support the principle of freedom of the seas. Early in its history its refusal to compromise that principle was one of the causes leading to the War of 1812. The effective defense of the United States, the maintenance of its commercial shipping and air transport, and the prosperity of its fishing industry would all be prejudiced by any serious compromise of this principle.

The appropriation by any state of areas of the high seas is as unsound morally today as when Grotius wrote. In an age when technological advancement and increased population have made us indeed one world, it is more important than ever that those natural avenues of intercourse between peoples—the sea lanes and the air routes above—should remain free.

#### **Attacks on Freedom of the Seas**

Nevertheless, the freedom of the seas is under serious attack. It might be expected that, as in the past, attempts to bring large areas of the high seas under national domination would originate with powerful and maritime states. But the contrary is the case. Today the attempts to encroach upon the freedom of the seas are being made for the most part by small coastal states.

These attempts take various forms. Some states enlarge the area of their inland waters by drawing lines from headland to headland and then, from this baseline, which may be many miles at sea, measuring the width of their territorial waters. Others simply extend the width of their territorial waters by decree. More recently, a favored technique has been to claim exclusive sovereignty over the waters above the Continental Shelf and beyond territorial waters. Some claims to territorial waters extend to a breadth of 200 miles.

On August 18, 1952, Peru, Chile, and Ecuador signed a declaration claiming "exclusive jurisdic-

<sup>3</sup>Oppenheim, *International Law* (7th ed. by Lauterpacht, 1948), p. 450.

tion and sovereignty" over waters contiguous to their coasts "up to a minimum distance of 200 nautical miles" as well as "exclusive sovereignty" over the subsoil and seabed in this maritime zone. The declaration purports further to make provision for regulating fishing and whaling in this zone. The United States protested these claims on the ground that under international law there is no obligation to recognize claims to territorial waters in excess of 3 miles.

Other South American states, including Argentina, Honduras, and El Salvador, have also claimed large areas of the high seas as territorial waters.

In 1952 Korea, by Presidential proclamation, asserted sovereignty over the seas adjacent to its coasts. There are indications that the Philippines may claim the Sulu Sea as territorial waters.

#### **U.S. Adheres to 3-Mile Limit**

Consistent with its support of the principle of the freedom of the seas, the United States has always adhered to the 3-mile rule. From the time of Jefferson, the principle that the marginal belt extends one marine league (3 geographical or nautical miles) from the low-water mark has been supported by the State Department, by court decisions, and by treaties.

Recently in the Submerged Lands Act, approved May 22, 1953,<sup>4</sup> the Congress declared that the boundaries of the coastal states are limited to 3 geographical miles into the Atlantic and Pacific Oceans. By the same act, the Congress left the states bordering the Gulf of Mexico free to establish historic claims to boundaries extending more than 3 geographical miles, but limited such boundaries, if established, to 3 marine leagues from the coast.

The tendency of states to advance claims to territorial waters in excess of 3 miles has been particularly marked following the failure of the Codification Conference in 1930 at The Hague to agree on a convention on territorial waters. However, states still adhering to the 3-mile rule represent about 80 percent of the merchant shipping tonnage of the world and most of its naval power.

#### **Position of U. S. on International Law Question**

The position of the United States is shown in

<sup>4</sup> 67 Stat. 29.

its comments on the Draft Articles on the Regime of the Territorial Sea of the International Law Commission,<sup>5</sup> which includes the following:

So far as concerns the question of the breadth of the territorial sea . . . the guiding principle of the Government of the United States is that any proposal must be clearly consistent with the principle of freedom of the seas. . . .

That the breadth of the territorial sea should remain fixed at three miles, is without any question the proposal most consistent with the principle of freedom of the seas. The three-mile limit is the greatest breadth of territorial waters on which there has ever been anything like common agreement. Every one is now in agreement that the coastal state is entitled to a territorial sea to that distance from its shores. There is no agreement on anything more. . . . A codification of the international law applicable to the territorial sea must, in the opinion of the Government of the United States, incorporate this unique status of the three-mile limit and record its unquestioned acceptance as a lawful limit.

This being established, there remains the problem of ascertaining the status of claims to sovereignty beyond the three-mile limit. The diversity of the claims involved bears witness . . . to the inability of each to command the degree of acceptance which would qualify it for possible consideration as a principle of international law. . . . A codification of the international law applicable to the territorial sea should, in the view of the Government of the United States, record the lack of legal status of these claims.<sup>6</sup>

The International Court of Justice made clear in the Norwegian Fisheries case that the delimitation of territorial waters is not a matter dependent merely upon the will of the coastal state but that "the validity of the delimitation with regard to other States depends upon international law."<sup>7</sup>

#### Conservation of Fishery Resources

But while the United States does not consider that claims to territorial waters in excess of 3 miles have validity, with the possible exception of historic ones generally acquiesced in, it does not consider that the considerations which motivate such claims can or should be ignored. What are these considerations? While oversimplification is dangerous, it is suggested that they relate to fishery

<sup>5</sup> Report of the International Law Commission Covering the Work of Its Sixth Session, 3 June-28 July, 1954, U.N. doc. A/2693, p. 12.

<sup>6</sup> Regime of the Territorial Sea, Comments by Governments on the Provisional Articles concerning the Regime of the Territorial Sea adopted by the International Law Commission at its sixth session, U.N. doc. A/CN.4/90, 29 Mar. 1955, pp. 33, 34-35; BULLETIN of Apr. 25, 1955, p. 699.

<sup>7</sup> IcJ Reports, Judgment of Dec. 18, 1951, pp. 116, 132.

resources. As one authority has put it, "the fishery question has been the focal point of the whole problem of territorial waters from its very beginning."<sup>8</sup>

With those states which are concerned over the depletion of high seas fisheries and desire to take measures for their conservation, the United States has every sympathy. The *dictum* of Grotius that the resources of the sea are inexhaustible has long since been recognized as unsound. As long ago as the Bering Sea arbitration the United States asserted that unrestricted destruction of the living resources of the sea—in that case, fur seals—was contrary to good morals. The United States is a party to more treaties and agreements having for their objective the conservation of the resources of the sea than any other country.

On September 28, 1945, President Truman issued his proclamation on fisheries for the purpose of "improving the jurisdictional basis for conservation measures and international cooperation in this field."<sup>9</sup> This declares the policy of the United States on the establishment of fishery conservation zones in the high seas contiguous to its coasts. Where such fishing activities are maintained by United States nationals alone, it regards it as proper that regulation be exercised by the United States exclusively. But where the fishing activities have been legitimately developed and maintained jointly by nationals of the United States and nationals of other states, conservation zones may be established by agreement between the United States and such other states.

This proclamation has been misunderstood by some as implying a claim to exclusive fishing rights for United States nationals in the waters off its coasts. The proclamation asserts no such claim, and such is not the position of the United States.

As the Secretariat of the United Nations has pointed out in its Memorandum on the Regime of the High Seas: "There is a fundamental difference between the United States Proclamation on Fisheries and the Latin American texts which have followed it."<sup>10</sup> President Truman's proclamation specifically stated that "The character as high seas of the areas in which such conservation zones

<sup>8</sup> Riesenfeld, *Protection of Coastal Fisheries under International Law* (1942), p. 3.

<sup>9</sup> BULLETIN of Sept. 30, 1945, p. 486.

<sup>10</sup> U.N. doc. A/CN.4/32, July 14, 1950, p. 47.

are established and the right to their free and unimpeded navigation are in no way thus affected." The sole purpose of the proclamation was to make possible by appropriate legal means the prevention of the depopulation and destruction of international fishing grounds.

Notwithstanding this, the United States proclamations on fisheries and on the Continental Shelf have been used by some states as a justification for attempts to extend their sovereignty over large areas of the high seas. The International Law Commission of the United Nations no doubt had these measures in mind when it pointed out in connection with its draft articles on fisheries adopted at its fifth session (1953) that regulations issued by a state for the conservation of fisheries in any area of the high seas outside its territorial waters are binding only upon its nationals and that such unilateral measures resulting in the total exclusion of foreign nationals are "in disregard of the law as it stands at present."<sup>11</sup>

#### Interference With Fishing on the High Seas

So far as the United States is concerned, the immediate impact of these claims of South American states has fallen upon its fishing industry, whose vessels fish in the Pacific as far south as Peru. There has resulted a series of incidents ranging from molestation of American fishing vessels by local authorities at points far off the coast, to the seizure of the craft and their detention until heavy fines are paid.

To insure that these losses should not fall upon private persons, the Congress on August 27, 1954, enacted a statute providing that, where a United States flag vessel is seized by a foreign country on the basis of claims in territorial waters or the high seas not recognized by the United States and a fine must be paid in order to secure a release of the vessel and crew, the owners shall be reimbursed by the Treasury upon certification by the Secretary of State.<sup>12</sup> Several claims for such reimbursement are pending at the present time.

Perhaps the most conspicuous example of the efforts to enforce claims of sovereignty to the high seas was the seizure last November by Peruvian war vessels and aircraft of five whaling vessels

owned by A. S. Onassis flying the Panamanian flag. According to information furnished by Panama to the Organization of American States, two of the vessels were captured approximately 160 miles off the Peruvian coast; two others were attacked with bombs and machinegun fire by Peruvian naval and air units while 300 miles off the coast; and later the factory vessel was attacked by a Peruvian plane 364 miles offshore. These vessels were taken into a Peruvian port and detained until fines of \$3 million were paid. Insurance against this hazard was held by Lloyd's (90 percent) and by insurers in the United States (10 percent). Panama, the United Kingdom, and the United States protested to Peru concerning the incident.

On March 27, 1955, Ecuador seized two American flag fishing vessels, the *Arctic Maid* and *Santa Ana*, some 14 to 25 miles west of the Island of Santa Clara off the Ecuadoran coast. In the course of the seizure, an American seaman was seriously wounded by gunfire from an Ecuadoran patrol vessel. Although the United States made a strong protest against these illegal acts, fines of more than \$49,000 were imposed on the two vessels.

#### United Nations Activities in This Field

The draft articles on fisheries prepared by the International Law Commission of the United Nations have not yet been considered by the General Assembly. However, the Assembly at its ninth session (1954) convoked an international conference to consider the economic and technical aspects of the living resources of the high seas to meet in Rome on April 18 of this year.<sup>13</sup> It is hoped that this conference will recommend measures for the regulation and conservation of high seas fisheries that will satisfy the legitimate interests of coastal states while at the same time preserving the freedom of the seas.

#### Proclamation on the Continental Shelf

On September 28, 1945, the same date as his proclamation on fisheries, President Truman issued another proclamation which is also important in any consideration of this subject. This is the proclamation on the Continental Shelf.<sup>14</sup>

It sets forth the view of the United States that

<sup>11</sup> Report of the International Law Commission Covering the Work of Its Fifth Session, 1 June-14 August 1953, U.N. doc. A/2456, p. 17.

<sup>12</sup> 68 Stat. 883.

<sup>13</sup> BULLETIN of Jan. 10, 1955, p. 64, and Apr. 25, 1955, p. 696.

<sup>14</sup> Ibid., Sept. 30, 1945, p. 485.

the exercise of jurisdiction over the natural resources of the subsoil and seabed of the Continental Shelf by the contiguous nation is reasonable and just for the following reasons:

1. The effectiveness of measures to use or conserve these resources would be contingent upon cooperation and protection from the shore;
2. The Continental Shelf may be regarded as an extension of the land mass of the coastal nation and thus naturally appurtenant to it;
3. The resources under the shelf frequently form a seaward extension of a pool or deposit lying within the territorial limits; and
4. Self-protection compels a coastal nation to keep close watch over the activities off its shores which are necessary for utilization of these resources, i. e., drilling and mining operations.

In the interest of law and order, jurisdiction over the activities in these offshore areas should be determined. It is submitted that it is reasonable that this jurisdiction should inhere in the coastal state since these activities must receive cooperation and protection from the shore and they affect the safety of the coastal state.

The proclamation declares that the United States regards the natural resources of the subsoil and seabed of the Continental Shelf as appertaining to the United States and subject to its jurisdiction and control. Where the shelf extends to the shore of another state, the boundary is to be determined by the interested parties on equitable principles. Finally, the proclamation declares, "The character as high seas of the waters above the continental shelf and the right to their free and unimpeded navigation are in no way thus affected."

The draft articles on the Continental Shelf prepared by the International Law Commission describe the rights of the coastal state over the shelf as "sovereign rights for the purpose of exploring and exploiting its natural resources," thus recognizing that the rights are over the shelf and not merely over its resources. The term "sovereign rights" was preferred by the drafters over the expressions "jurisdiction and control" advocated by some nations and "rights of sovereignty" preferred by others. In explanation, the International Law Commission stated that the formulation "sovereign rights" rather than "sovereignty" was employed in an effort "to avoid

language lending itself to interpretations alien to an object which the Commission considers to be of decisive importance, namely, safeguarding the principle of the full freedom of the superjacent sea and the airspace above it."<sup>15</sup>

This principle is made clear in the Truman proclamation and is reaffirmed in the Outer Continental Shelf Lands Act (Sec. 3 (b)), which provides:

... the character as high seas of the waters above the outer continental shelf and the right of navigation and fishing therein shall not be affected.<sup>16</sup>

The principle is also declared in articles 3 and 4 of the International Law Commission's 1953 draft, which state that the rights of the coastal state over the Continental Shelf do not affect the legal status of the superjacent waters as high seas or the legal status of the airspace above the superjacent waters.<sup>17</sup>

The term "Continental Shelf" is not defined in the Truman proclamation. However, the accompanying White House press release<sup>18</sup> stated that generally the subsoil and seabed of the submarine areas contiguous to the coasts of the United States was considered to be limited to submerged land covered by no more than 100 fathoms (600 feet) of water. This limitation—defined in article 1 of the International Law Commission's draft as 200 meters—would seem to cover all practicable needs for the foreseeable future and to have the advantage of definiteness. If future technical advances should render this formulation inadequate, it can be reconsidered in the light of intervening experience.

That the principles of the Truman proclamation on the Continental Shelf were considered fair and reasonable is evidenced by the fact that no nation protested the claim and that it has been followed by similar claims by numerous other states. Certain United Kingdom practice and the pronouncements with respect to the Persian Gulf are comparable, in considerable measure, to the Truman proclamation. The Latin American practice differs, however, as I will now point out.

<sup>15</sup> Report of the International Law Commission, Fifth Session (cited *ante*), pp. 12, 14.

<sup>16</sup> 67 Stat. 462.

<sup>17</sup> Report of the International Law Commission, Fifth Session (cited *ante*), p. 12.

<sup>18</sup> BULLETIN of Sept. 30, 1945, p. 484.

### **Erroneous Application of Continental Shelf Doctrine**

Following the United States proclamation, Mexico announced its claim to the adjacent Continental Shelf and its natural resources and also announced that it would "proceed to supervise, utilize and control the zones of fishing protection which are necessary for the conservation of this source of well-being."

The Argentine Presidential decree of October 1946, broadening an earlier decree of 1944, proclaimed Argentina's sovereignty over both the Continental Shelf and its sea. While it recognizes the right of free navigation in the sea above the shelf, this would appear to mean no more than a right of innocent passage. The Argentine decree asserts that the United States has proclaimed its sovereignty both over the shelf and the peripheral epicontinental sea. This assertion is not, of course, accurate, for the United States stated specifically that the proclamation did not affect the status as high seas of the waters above the shelf.

In June 1947, Chile proclaimed its sovereignty over the Continental Shelf at whatever depth and over all of the waters adjacent to its coasts to the full extent necessary to reserve, protect, conserve, and make use of the natural resources within or below those seas. It referred specifically to the control of fisheries and as a first step announced a protection zone "at present" extending 200 nautical miles from the coast.

Chile sought to justify these claims by asserting that the United States, Mexico, and Argentina had already proclaimed their sovereignty over the shelf and seas adjacent to their coasts. Clearly, this assertion misapprehends the United States position and apparently employs the Continental Shelf principle only as an argumentative concept, for Chile has a very narrow Continental Shelf.

Peru, also with a narrow Continental Shelf, followed the Chilean form of proclamation. Costa Rica, in 1948, by decree-law followed the Chilean pattern.

Ecuador, as a party to the Santiago Conference declaration of 1952, claims sovereignty to a distance of 200 miles seaward and over the seabed regardless of depth.

In 1950 Honduras claimed the Continental Shelf and the waters above as national territory, and in 1951 claimed protection and control over the Atlantic Ocean within 200 miles from the low-water line.

Certain states in support of their claims have referred to two multilateral pronouncements of the American Republics—the Declaration of Panama and the Inter-American Treaty of Reciprocal Assistance.

The first delimited certain areas of the high seas adjacent to the American Continent in which the participants declared their interest as a matter of self-defense. The latter merely described an area in which aggressive action activated certain provisions of the treaty. But neither of these furnishes a foundation for the unilateral assertion by a coastal state of sovereignty over the high seas.

It seems evident that the states making these excessive claims realize the insecurity of their legal justification. Apart from reference to these two inter-American pronouncements of an entirely different character, this is indicated by the imprecision nature of their definition: the attempts to justify them on the basis of similar action by other states with similar objectives, and the obvious misapprehension of the United States proclamations where cited as a justification.

### **No Inconsistency With Freedom of Seas**

It is submitted that the doctrine of the Continental Shelf is in no way inconsistent with the principle of the freedom of the seas. The 1945 proclamations on the Continental Shelf and the Outer Continental Shelf Lands Act make perfectly clear that the claims of the United States in the shelf are not intended to modify in any way the freedom of the superjacent waters.

While, as stated in the 1950 report of your learned society, the Continental Shelf theory fills the gap in international law on this subject,<sup>19</sup> the application of the new theory will create many legal problems the definitive answers to which will only become apparent with time and experience.

The principle of the freedom of the seas is as valid today as when it was established. It is even more necessary now that these highways of communication be kept open. We cannot return to the Middle Ages or the days of the Barbary pirates, when coastal states exacted tribute for rights of navigation. Nor can we return to those days when strong and enterprising states appropriated the resources of the seas by appropriating the seas themselves.

<sup>19</sup> Report of the Forty-fourth Conference, Copenhagen, 1950, International Law Association (1952), p. 132.

If the resources of the sea have become more important because of the needs of increased populations for food and the decrease in such resources due to wasteful exploitation, the answer is not to be found in disregarding existing international law by unilateral extension of territorial waters or new definitions of such waters. Nor is the answer to be found in the exaction of tribute for the right to fish on the high seas. Such actions have already gone far toward upsetting otherwise good relations between states.

The alternative is a program of conservation of fisheries—the application by international agreement of control based on scientific principles. While due recognition must be given to the special interest of the coastal state in the resources off its coasts, the rights of the other members of the international community must also be respected.

The same principle should govern the application of the doctrine of the Continental Shelf. The right of the coastal state to the resources of its Continental Shelf cannot be made an excuse for reduction of the high seas above the shelf to the sovereignty of the coastal state, and any exploitation of its resources must be so conducted as to result in a minimum interference with the common use of the superjacent seas.

## Prewar Savings Investments in West Germany

Press release 272 dated May 17

The Department of State on May 17 reminded citizens and residents of the United States who had prewar savings investments in the Federal Republic of Germany and West Berlin that the benefits of the German Federal Law for the Mitigation of Hardships Caused by Currency Reform (*Altspargeretze*) of July 14, 1953, have been extended to nonresidents of Germany.

The Law for the Mitigation of Hardships Caused by Currency Reform provides that under certain conditions compensation will be paid for savings investments—including savings deposits, building and loan savings accounts, postal savings, mortgage bonds, the municipal, industrial, and related debenture bonds listed in the appendixes of the law, as amended, claims arising out of life insurance contracts, and private mortgages—which were affected by the 1948 currency reform.

The compensation rate under this law for old savings accounts in the Federal Republic of Germany is 13.5 percent, for preoccupation Berlin accounts 15 percent, and for other savings investments 10 percent. Thus compensation received under this law plus the conversion rates under the monetary reform laws amounts to a total of 20 percent of the principal of the savings investments.

Savings investments for which compensation will be paid under the Law for the Mitigation of Hardships Caused by Currency Reform generally speaking are those Reichsmark savings which existed on January 1, 1940, and were maintained until June 20, 1948. Persons holding such savings investments should communicate as soon as possible with the institution responsible for paying the compensation in order to insure that the deadlines for the submission of applications for compensation are observed.

The institutions responsible for meeting the claims and the present time limits for submitting applications for compensation are as follows:

Savings deposits and accounts—the institution at which the account was kept on July 31, 1955

Postal savings accounts—the Postsparkasseamt Hamburg, 2 Hochhaus Ring, Hamburg 13.

Municipal, industrial, and similar debenture bonds listed in appendixes to law as amended—credit institution which issued a certificate of negotiability or with which bonds registered under Reichsmark Securities Settlement Law.

Mortgage investments—institution responsible for collecting mortgage profit levy under Equalization of Burdens Law, competent tax office, or mortgage debtor.

Life insurance contracts—insurance company.

In most cases no formal application will be required, as the compensation due under the Law for the Mitigation of Hardships Caused by Currency Reform will be determined by a so-called official procedure and the claimant will be advised thereof. However, the Department recommends that residents of the United States communicate with the institutions responsible for meeting their claims to ensure that they will be notified if an application on a prescribed form is necessary. In the event a formal application is required, the requisite forms will then be forwarded to the claimant by the competent institution.

## Coffee in Inter-American Relations

by Edward G. Cale

Director, Office of Regional American Affairs<sup>1</sup>

Coffee, as members of our coffee industry are aware, is the most important commodity in inter-American trade. Some of you may not have stopped to think, however, just how widespread the ramifications of coffee are in our inter-American relations, or the number of different interests that come to bear on so simple a question as the price at which coffee sells. These interests vary all the way from that of an untrained speculator in coffee futures who hopes to make a quick profit out of a change in coffee prices to the very real concern felt by the president of a coffee-producing country over the welfare of his government and people, which is so closely tied to the amount of coffee his country sells and the price it brings.

That the concern of the chief executives of some of the coffee-producing countries over the coffee situation is very real may be judged from the fact that coffee in 1953 accounted for 86 percent of the value of all exports from El Salvador, 83 percent of the value of all exports from Colombia, 77 percent of the value of all exports from Guatemala, 68 percent of the value of all exports from Brazil, 66 percent of the value of all exports from Haiti, 47 percent of the value of all exports from Nicaragua, and 43 percent of the value of all exports from Costa Rica.

The coffee price question has been a very sensitive one both in the United States and in the coffee-producing countries during the past 18 months. As is true with most questions, there are many sides to this question.

The coffee consumer, of course, has a very legitimate interest in the question of coffee prices. Coffee is one of the staple items in our diet, and coffee has a significant weighting in our cost-of-living index. The United States housewife, concerned as she often is over how she will balance her budget, is very much aware of changes in coffee prices, especially upward changes.

In the United States the welfare of the coffee import trade and the coffee roasting and distributing industry depends upon the quantity of coffee they sell. This is determined by the reaction of

the housewife to different levels of prices. The coffee roasting and distributing industry is accordingly very sensitive to what the housewife thinks and says about coffee prices and especially to the effect which they have on her purchases. In 1953, before the last big rise in coffee prices, the average pound of coffee on the grocer's shelf cost 89.2 cents and the spot price of unroasted Brazilian coffee averaged 58.5 cents. Today the spot price of Brazilian coffee is about 5 cents per pound lower than it was then, and the average pound of coffee on the grocer's shelf is almost back to where it was then, but per capita consumption is apparently still below the 1953 level. Per capita consumption dropped almost 2 pounds last year, to 14.75 pounds, and import figures for the first quarter of this year suggest that consumption may still be low, in spite of the decline in price which has occurred during the past year. A large part of this decline in consumption is undoubtedly the result of the fact that there is resentment against the price rise last year, even though coffee prices are now about where they were before the rise.

### Importance of Coffee Trade

There are many other Americans, some north and some south of the Rio Grande, who also have a very real interest in the prices at which coffee sells. These include producers of United States agricultural and industrial products, who rely upon the coffee-producing countries for a substantial part of their foreign markets. The major coffee-producing countries contain two-thirds of the total population of Latin America and account for 50 percent of the area's total imports. Coffee provides about 40 percent of the foreign exchange earned by all of Latin America and is the largest single source of dollars used by our Latin American neighbors to buy our products. Our exporters of such staple food products as flour, lard, and bacon; of such manufactured products as cotton textiles, shoes, automobiles, and farm machinery; and of such industrial products as chemicals and electrical equipment are directly affected by changes in the amount of coffee we consume and the price we pay for it. As the value of our coffee purchases increases, the value of our exports of these and other products increases, and vice versa.

Americans south of the Rio Grande with an interest in coffee include coffee exporters, who are

<sup>1</sup>Address made before the Pacific Coast Coffee Association at Pebble Beach, Calif., on May 17 (press release 264 dated May 13).

interested even more in the volume of sales than the level of prices. They also include the coffee growers, whose economic prosperity is very largely determined by the price of coffee and the volume in which it sells. The coffee laborers, who till the coffee lands and gather coffee from the trees and who help to process it for market also have a very great stake in a healthy coffee industry.

#### Economies Tied to Coffee

As was suggested earlier, there are several countries in Latin America whose entire economies are closely tied to coffee. The case of Brazil might be taken as an example. Brazil benefited less from the 1954 price increase than other countries because of two successive short crops. Exports for the 1953-54 marketing year were only 14.3 million bags compared with a 1952-53 figure of 15 million. Exports for 1954-55 will probably not exceed 11 million bags—one of the poorest years on record. Brazil was the first country to institute price supports (in June 1954) and has been in the position of holding an umbrella over the other producers, who because of their relatively small size have been able to dispose of their stocks while those of Brazil have been mounting. Brazil's carryover at the end of this year will be about 6 million bags, almost double the figure at the end of the last season. A considerable proportion of this will be in the hands of the Government, under price supports, or of the Central Bank as collateral for loans.

Brazil's financial situation has been precarious for a number of years. She is a heavy debtor on capital account—dollar loans outstanding are in the neighborhood of 1 billion dollars. Import requirements for newsprint, wheat, coal, and petroleum cannot be reduced much below present levels. Petroleum purchases cannot, under present conditions, be reduced much below \$240 million a year, or newsprint below \$50 million. Wheat is being purchased from nondollar sources to the maximum possible extent. Dollars offered at auction for purchase by private traders are currently limited to \$10 million a month—about one-half of normal requirements. And about two-thirds of the total exchange available to pay for these necessities is derived from coffee sales. If coffee fails to move, or if prices fall to a very low level, the result is an immediate exchange deficit.

#### Mutual Interests

Since so many different groups have an interest in coffee prices, it is not surprising that the subject at times becomes controversial. It appears to me, however, that much of this controversy is unnecessary and would disappear if there were a better understanding of the mutuality of interest between coffee consumers in the United States and coffee producers in Latin America. Many of us in the United States are too much inclined, I believe, to think that the lowest possible prices for coffee are beneficial to us. Representatives of the coffee-producing countries, on the other hand, give the impression, at times, that they believe that no price for coffee can be too high.

Neither position is valid. When coffee prices are so low that coffee producers find coffee production unprofitable, as has undoubtedly been the case at times in the past, they turn to alternative crops. The result is that after a period of years coffee supply is no longer adequate to take care of demand. At such times, especially because the demand for coffee appears to be relatively inelastic, prices skyrocket to the disadvantage of consumers. These high prices do not, however, bring to coffee producers the benefits which might be imagined. Rapidly increased income from coffee often helps feed inflation in the coffee-producing countries with a consequent reduction in the purchasing power of the increased income which is derived from high coffee prices. Furthermore, high coffee prices lead consumers to drink less coffee and to substitute other beverages for it. In the long run, therefore, it is doubtful that either the producers or the consumers benefit from the very wide swings that have characterized coffee prices in recent years. The more forward-looking coffee producers, as well as the more thoughtful coffee consumers in the United States, undoubtedly recognize this.

The 30-cent drop which had occurred in the price of coffee from April to November 1954 caused serious concern to the coffee-producing countries, and at the economic conference in Brazil last winter they introduced a resolution calling for cooperation between producing and consuming countries to stabilize coffee prices by intergovernmental action. The resolution finally adopted by the conference, which was somewhat less specific than that originally introduced, was the following:

THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL  
RESOLVES :

1. That the Special Committee on Coffee of the Inter-American Economic and Social Council should make, through a Special Committee appointed from among its members, a detailed study of the world coffee situation and the prospects for the future.

2. If this study should show the possibility of adopting measures of international cooperation capable of appreciably reducing the range of fluctuations in the price of coffee and keeping them within limits satisfactory for producers and consumers, the Special Committee shall prepare draft texts suitable for attaining that objective, to be submitted for consideration to the member countries affected by the problem.

In accordance with this resolution the Special Commission on Coffee of the Inter-American Economic and Social Council has designated a sub-committee of four members, on which the United States is represented, to make a detailed study of the world coffee outlook and, if international cooperation to limit price fluctuations is indicated, to suggest the form which it might take. Two or three months will still be required to complete the report.

#### **U.S. Participation in Coffee Study**

In considering the attitude which it should adopt toward the question of coffee prices, our Government must, of course, take into account all of the interests which I have mentioned previously. It must also consider the fact that the Latin American countries which produce coffee are important members of the free-world community. Our delegation at the conference in Brazil which adopted the resolution that I have just referred to was aware of the many facets of the coffee situation when it committed the United States to participate in the coffee study. In agreeing to the resolution, the delegation explained that our policy is, in general, to rely on normal market forces to maintain the price of commodities moving in international trade at appropriate levels. It expressed the view that arrangements for stabilizing prices by international action are likely to introduce rigidities in the price-production relationship which may lead to an increased degree of maladjustment and a more difficult problem of readjustment at a later date.

There are undoubtedly ways in which our Government should cooperate with the governments of the coffee-producing countries to help improve the problem of widely fluctuating coffee prices.

For example, we might collect and disseminate more complete information on coffee inventories in this country and encourage the coffee-producing countries to do the same regarding coffee stocks in such countries. At present there is great uncertainty not only as to crop estimates but as to the size of the supplies, at various stages of distribution, of coffee already produced. Accordingly, there is considerable opportunity for rumors of all kinds, some bullish and some bearish, to influence coffee prices. Our Government by collecting and disseminating fuller, more up-to-date information on coffee could, and I believe should, help remedy this situation.

It is the hope of our Government, however, that most of the problems affecting coffee can be met by the coffee producers and members of our coffee industry and trade without our Government's assistance. There are reasons for believing that this may be the case. Green coffee prices are now in or near the range where it should be possible for coffee to be offered to consumers at prices similar to those which prevailed during the 1950-52 period. With retail prices at the 1950-52 level, it should not be too much to expect that per capita consumption will be restored to the level reached in that period. Furthermore, when the fear of a substantial further decline in coffee prices is eliminated, inventories in this country should rise to more normal levels. Members of our coffee trade and of our coffee roasting and distributing industry would then carry, as normal inventories, some of the coffee which is now surplus in the producing countries. If this is done and if inventories are built up to normal levels, United States imports of coffee during the coming year could be at least 3 million bags more than during the past year. This would do much to restore the coffee industry to good health. I know that it is your hope that there may be such a restoration of confidence within the trade and such increased efforts to market more coffee that this goal will be achieved. I am sure that you can be counted upon to do your part through more forceful merchandising to bring this about.

#### **Calendar of Meetings**

The Calendar of Meetings, usually published in the first issue of the month, will appear instead in the June 13 issue of the BULLETIN.

## TREATY INFORMATION

### Current Actions

#### MULTILATERAL

##### Telecommunications

International telecommunication convention. Signed at Buenos Aires December 22, 1952. Entered into force January 1, 1954.<sup>1</sup> Senate advice and consent to ratification given April 1, 1955.

*Ratified by the President:* May 25, 1955.

Final protocol to the international telecommunication convention. Signed at Buenos Aires December 22, 1952. Entered into force January 1, 1954.<sup>1</sup> Senate advice and consent to ratification given April 1, 1955.

*Ratified by the President:* May 25, 1955.

#### BILATERAL

##### Cuba

Agreement providing for disposition of equipment and materials furnished by the United States under the military assistance agreement dated March 7, 1952 (TIAS 2467). Effectuated by exchange of notes at Habana March 18 and May 3, 1955. Entered into force May 3, 1955.

##### Honduras

Agreement extending agreement for a cooperative program of agriculture dated January 30, 1951 (TIAS 2209), as amended. Signed at Tegucigalpa April 27, 1955. Entered into force April 27, 1955.

Agreement extending agreement for a cooperative education program dated April 24, 1951 (TIAS 2333), as amended. Signed at Tegucigalpa April 27, 1955. Entered into force April 27, 1955.

## PUBLICATIONS

### Foreign Relations Volumes

#### 1938, VOLUME I, GENERAL

Press release 259 dated May 11

The Department of State on May 14 released important new material on the origins of World War II. The full title of the publication is *Foreign Relations of the United States, 1938, Volume I, General*.

The documents now published tell of the growing crisis in Europe in 1938, with continued civil war in Spain, the annexation of Austria by Germany, and Nazi pressure against Czechoslovakia

<sup>1</sup> Not in force for the United States.

culminating in the Munich agreement. This record of American diplomacy will form a valuable check and supplement to the documents on this period already published from the files of the British and German foreign offices as well as to private memoirs.

Papers printed in this volume show the intense interest with which events were reported from day to day and at times from hour to hour by American diplomats in the leading capitals of Europe. Ambassadors Joseph P. Kennedy at London, William C. Bullitt at Paris, Hugh R. Wilson at Berlin, and other American representatives were in close touch with officials of the European powers and kept the Department of State well informed on what was going on behind the scenes.

This volume opens with a section containing reports on general political developments in Europe affecting the outlook for peace. On January 4, 1938, Ambassador Bullitt reported that the French Premier, Camille Chautemps, told him that the only effective intervention of the United States in world affairs would be if the President should be able to state that the United States would take up arms against an aggressor or at least would cut off exports to an aggressor and send supplies to any nation or nations attacked. He added at once that he knew this was impossible and Mr. Bullitt replied that this was right and that the United States would make every effort to stay out of war (p. 2). On February 1, Mr. Bullitt was informed by the French Foreign Ministry that Maxim Litvinov, Soviet Commissar for Foreign Affairs, had displayed the greatest hostility to the idea of *rapprochement* by France with Germany to establish an atmosphere of peace in Europe (p. 6), and on February 21, M. Chautemps told him that he would not include Communists in any Cabinet he might form because they would report every conversation to Stalin (p. 24). George S. Messersmith, Assistant Secretary of State, in an extensive memorandum of February 18 evaluating the European situation, asserted: "No concession has yet satisfied Germany and none will satisfy her" (p. 21).

A possible initiative by President Roosevelt for international action to promote world peace was discussed with the British Government early in 1938, but that Government urged postponement so as not to cross wires with current British efforts (pp. 115-132). Discussion of this proposal ap-

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parently ended with the German occupation of Austria on March 11. The British Ambassador, Sir Ronald Lindsay, stated that it was the view of his Government that the only constructive program put forward during the past 5 years had been the Hull trade agreements program (p. 129). In the course of these peace discussions and in the limited approval given by President Roosevelt to the Anglo-Italian agreement of April 16, 1938, (pp. 133-148) the continued support by the United States of nonrecognition of the Italian conquest of Ethiopia was made evident.

Extensive documentation on the Spanish Civil War (pp. 149-383) is continued from previous years. Strict American neutrality continued, as stated by Secretary Hull in a note of May 20 to the Spanish Chargé, De la Casa: "The policy of the Government of the United States is actuated by the desire to keep this country out of war and to avoid interference of any kind in the internal affairs of another country" (p. 196).

The story of the annexation of Austria by Germany is told by nearly a hundred pages of documents (p. 384-482). The noninvolvement policy of the United States is brought out in an exchange of telegrams with John C. Wiley, Chargé in Austria. He reported on February 14 a conversation with Guido Schmidt, Austrian Secretary of State for Foreign Affairs. In his telegram Mr. Wiley said: "I told Schmidt that my Government maintained a deep and sincere interest in the welfare of Austria and I was sure it hoped earnestly that the Austrian Government would firmly resist threats against the independence of Austria" (p. 392). The Secretary of State replied the next day praising Mr. Wiley for his reports but adding: "You should very carefully avoid, in the future, making any statements which can possibly be construed as implying that your Government is involving itself, in any sense, in European questions of a purely political character or is taking any part, even indirectly, in the determination of such questions" (p. 396). The United States did, however, interest itself actively, but unsuccessfully, on behalf of Kurt Schuschnigg, the Austrian Chancellor deposed and imprisoned by the Nazis (pp. 472, 477-482). He was not liberated until the defeat of Germany in 1945.

The tragic story of the Czechoslovak crisis is here told in 225 pages of documents (pp. 483-739). In its early stages, the story is one of aloofness, as

in the Spanish Civil War and the Austrian *Anschluss*. On March 14, 3 days after Hitler's troops marched into Austria, Under Secretary Sumner Welles told the Czechoslovak Minister, Vladimir Hurban, that the policy of the United States was "to remain completely aloof from any involvement in European affairs" (p. 486). As the situation became critical in May, Ambassador Wilson cabled on May 21 from Berlin the suggestion of an approach by the United States to the German and Czechoslovak Governments expressing the earnest hope for a peaceful solution. In a personal cable to the President on May 22 Ambassador Bullitt warned that a general war could only result in "the complete destruction of Western Europe and Bolshevism from one end of the continent to the other." He urged Roosevelt to call a conference of Britain, France, Germany, and Italy at The Hague to work out a peaceful settlement and to offer to have a representative of the United States attend (pp. 509-512).

On the 23rd, Mr. Wilson was informed that his suggestion was not considered advisable (p. 515). No reply to Mr. Bullitt has been found in the Department files. The Secretary of State did, however, issue a statement to the press on May 28 expressing the interest of the United States in peace (pp. 520-521). On August 29, Alexander C. Kirk, Chargé at Moscow, warned that "in the event of a general conflict in Europe the Soviet Union is in a position to derive the maximum profit with the minimum risk" (p. 558).

When the Czechoslovak crisis became acute in September, Ambassador Bullitt on September 19 foretold dire consequences to France in case of war and urged that the American Government and officials should refrain from expressing an opinion that France should go to war (pp. 615-618). He concluded his telegram with the statement:

It is entirely honorable to urge another nation to go to war if one is prepared to go to war at once on the side of that nation but I know nothing more dishonorable than to urge another nation to go to war if one is determined not to go to war on the side of that nation, and I believe that the people of the United States are determined not to go to war against Germany.

On September 24, Ambassador Bullitt renewed his proposal that President Roosevelt call a peace conference (pp. 641-642). The President did not take this particular action but instead made direct public appeals for peace to the Heads of Government of Germany and Czechoslovakia as well

as to those of the United Kingdom, France and Italy (pp. 657-658, 677, 684-685). On the eve of Munich, September 28, President Roosevelt sent a short, encouraging message to Prime Minister Chamberlain: "Good man" (p. 688). Ambassador Kennedy reported in an enthusiastic telegram on the relief felt when the coming conference was announced in Parliament. He noted only one discordant note. The Czechoslovak Minister, Jan Masaryk, riding back with Mr. Kennedy from Parliament, commented: "I hope this does not mean they are going to cut us up and sell us out" (pp. 692-693).

Secretary Hull in a public statement on September 30 expressed cautious relief as to the Munich settlement (p. 703), but forwarded to President Roosevelt a letter by Assistant Secretary Messersmith, written just before Munich, expressing the fear that if too far-reaching concessions were made "we will find that instead of arranging for peace a war has been made inevitable" and stating that it would be unrealistic to assume that Germany would be satisfied as far as her territorial objectives were concerned (pp. 704-707).

Sixteen miscellaneous subjects are treated in the remainder of this volume, including exchanges with certain foreign governments with respect to proposed publication of diplomatic correspondence in *Foreign Relations of the United States* within less than 15 years (pp. 976-987).

*Foreign Relations of the United States, 1938, Volume I, General*, is one of five volumes for that year. Volumes III and IV, both on the Far East, have already been released.

This volume (viii, 1,009 pp.) may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D.C. The price is \$4.25.

## 1938, VOLUME II, BRITISH COMMONWEALTH, EUROPE, NEAR EAST AND AFRICA

Press release 271 dated May 17

The Department of State on May 21 released *Foreign Relations of the United States, 1938, Volume II, The British Commonwealth, Europe, Near East and Africa*. This volume deals with bilateral relations between the United States and the countries of the areas listed.

Topics treated are largely commercial in nature. These include the negotiation of trade agreements

with the United Kingdom, Canada, and Czechoslovakia and preliminary discussions or negotiations for such agreements with Australia, Ireland, Belgium, Norway, Portugal, Iran, and Turkey. The key agreement of the program was that with the British, and, while negotiations were characterized by hard bargaining, Secretary Hull envisaged the agreement "primarily as a powerful initiative to help rectify the present unstable political and economic situation everywhere" (p. 41).

Other topics of major importance concern the interest of the United States in the welfare of the Jews in Germany, Italy, Poland, and Rumania and in settlement of the Palestine question.

*Volume II* is one of five volumes of *Foreign Relations* for 1938. *Volume I, General*, and *Volumes III and IV*, both on the Far East, have already been released. *Volume V, The American Republics*, will be published later. Copies of this volume (vii, 1,136 pp.) may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C. for \$4.00 each.

## Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents except in the case of free publications, which may be obtained from the Department of State.

**The General Agreement on Tariffs and Trade.** Pub. 5813. Commercial Policy Series 147. 31 pp. 20¢.

A pamphlet containing a brief explanation, in layman's language, of each article of the GATT as it now stands, and describing the amendments to the GATT recently agreed upon at the review session.

**Collisions at Sea.** TIAS 2899. Pub. 5466. 20 pp. 15¢.

International regulations for preventing collisions at sea, 1948—Approved by the International Conference on Safety of Life at Sea, at London, June 10, 1948. Entered into force January 1, 1954.

**Technical Cooperation, Public Health Program.** TIAS 2904. Pub. 5651. 9 pp. 10¢.

Agreement between the United States of America and Ethiopia—Signed at Addis Ababa April 29, 1953. Entered into force April 29, 1953. An amendment signed at Addis Ababa June 25, 1953. Entered into force June 25, 1953.

**Technical Cooperation, Termination of Joint Commission for Economic Development.** TIAS 2905. Pub. 5405. 5 pp. 5¢.

Agreement between the United States and Brazil. Exchange of notes—Signed at Rio de Janeiro July 20, 1953. Entered into force July 20, 1953. An exchange of notes signed at Rio de Janeiro September 16 and 28, 1953. Entered into force September 28, 1953.

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### Check List of Department of State Press Releases: May 23-29

Releases may be obtained from the News Division, Department of State, Washington 25, D. C.

Press releases issued prior to May 23 which appear in this issue of the BULLETIN are Nos. 259 of May 11, 262 of May 12, 264 of May 13, and 269, 271, and 272 of May 17.

No.	Date	Subject
†281	5/23	Hoover: "Some Aspects of Our Far East Policy."
†282	5/23	ILO delegation (rewrite).
†283	5/23	Delegation to Congress on Large Dams (rewrite).
284	5/23	Dulles' conversation with Yugoslav Ambassador.
*285	5/23	Holmes appointment.
†286	5/24	Kalijarvi: "Antitrust Policies and Foreign Trade."
†287	5/24	ILO delegation (rewrite).
288	5/24	Dulles: recent significant developments.
†289	5/24	Waugh: "A Time for Decision on Foreign Economic Policy."
290	5/24	Dulles: U.S. policy on neutrality.
291	5/24	Dulles: meeting of Heads of Government.
292	5/25	Dulles: testimony on mutual security.
†293	5/25	U.S.-Pakistan investment agreement (rewrite).
*294	5/26	Educational exchange.
*295	5/26	Educational exchange.
†296	5/27	Auerbach: "Immigration Today."
†297	5/27	Return by U.S.S.R. of lend-lease naval craft.
†298	5/27	Foreign Relations volume.
*299	5/27	Sparks nomination.
†300	5/27	Sale to Japan of agricultural commodities.
†301	5/27	Aviation discussions with U.K.
†302	5/28	Delegation to Inter-American Commission of Women (rewrite).

\*Not printed.

†Held for a later issue of the BULLETIN.



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